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Financial report and audited financial statements

for the 12-month period from 1 July 2006 to 30 June 2007

and

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

General Assembly
Official Records
Sixty-second Session
Supplement No. 5

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Official Records
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Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

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Note

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Abbreviations

MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MINUTAC	United Nations Mission in Chad and the Central African Republic
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observer Mission in Angola
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
SDS	Strategic deployment stocks
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Programme
UNEF	United Nations Emergency Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNIOSIL	United Nations Integrated Office in Sierra Leone
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea

UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPSG	United Nations Civilian Police Support Group
UNSMIH	United Nations Support Mission in Haiti
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization

Letters of transmittal

1 October 2007

Dear Mr. Chairman,

In accordance with financial regulation 6.5, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 2006 to 30 June 2007, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **Ban** Ki-moon
Secretary-General

Mr. Philippe Séguin
Chairman
United Nations Board of Auditors
New York

4 March 2008

Sir,

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2007, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France
and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York, New York

Chapter I

Financial report on the United Nations peacekeeping operations for the period from 1 July 2006 to 30 June 2007

A. Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations peacekeeping operations for the period from 1 July 2006 to 30 June 2007. The present report highlights the financial results for the period ended 30 June 2007.

B. Financial overview

2. Table I.1 provides a financial overview of peacekeeping operations.

Table I.1
Financial highlights

	2006	*2007*	*Increase (decrease) (Percentage)*
	(Millions of United States dollars)		
Total assessments	**4 919.7**	**5 347.9**	**8.7**
Unpaid assessments[a]			
Active missions	678.7	697.3	2.7
Closed missions	578.6	550.3	(4.9)
Total expenditures	**4 582.8**	**5 148.1**	**12.3**
Liquidity: available cash less liabilities[a]			
Active missions	100.0	(172.1)	N/A
Closed missions	102.5	(11.0)	N/A

[a] 2006 is restated to reclassify UNAMSIL and UNMISET as closed missions.

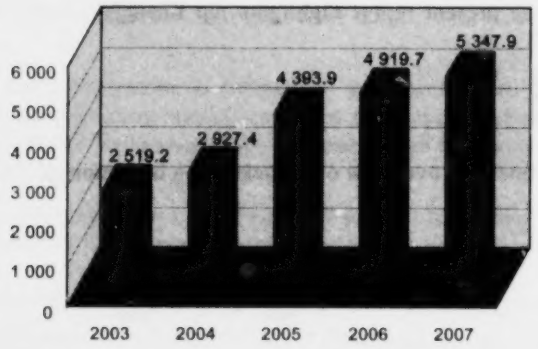
3. Fiscal year 2006/07 assessments rose by 8.7 per cent, whereas expenditures rose by 12.3 per cent. As a result of these and other changes in receivable and payable balances, overall liquidity in the active missions declined by $272.1 million, particularly in MONUC, UNIFIL, MINUSTAH and UNMIK. Overall liquidity in the closed missions declined by $113.5 million mainly due to credits returned in UNAMSIL.

C. Assessments

4. Total assessments rose by 8.7 per cent, from $4,919.7 million in the previous fiscal year to $5,347.9 million. The increase was largely attributable to the expansion of UNIFIL and the start-up of UNMIT, as well as build-ups in UNMIS and UNOCI. These increases were partially offset by decreases in assessments for ONUB, UNMEE, MINUSTAH and UNMIK as a result of scaled-down operations.

5. Figure I.1 illustrates the trend in the assessments for peacekeeping operations for the fiscal year 2006/07 and the four preceding fiscal years.

Figure I.1
Assessments for United Nations peacekeeping operations
(Millions of United States dollars)

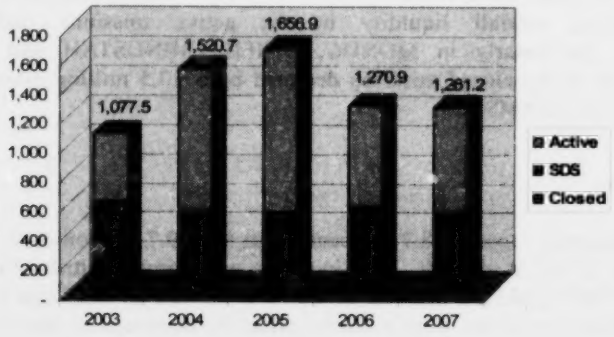


D. Status of unpaid assessments

6. The unpaid assessments pertaining to active peacekeeping missions increased by 2.7 per cent, from $678.7 million at the end of the fiscal year 2005/06 to $697.3 million at the end of the current fiscal year. Unpaid assessments pertaining to closed missions decreased by 4.9 per cent, from $578.6 to $550.3, for the same period. The overall level of unpaid assessments remained virtually unchanged.

7. Figure I.2 illustrates the trend in the unpaid assessments for peacekeeping operations for 2006/07 and the four preceding fiscal years.

Figure I.2
Unpaid assessments for United Nations peacekeeping operations
(Millions of United States dollars)



8. Table I.2 provides the status of unpaid assessed contributions for each of the United Nations peacekeeping operations as at the end of the current period and the four preceding financial periods.

Table I.2
Unpaid assessment contributions
(Millions of United States dollars)

	30 June 2003	*30 June 2004*	*30 June 2005*	*30 June 2006*	*30 June 2007*
Active missions[a]					
UNFICYP	13.7	14.9	14.2	16.1	13.2
UNDOF/UNEF	14.1	15.9	12.0	16.6	11.0
UNIFIL	71.8	62.8	51.5	60.5	145.9
MINURSO	41.6	42.5	43.6	48.8	43.9
UNOMIG	8.0	8.2	7.6	12.2	6.8
UNMIK	51.4	98.4	77.6	51.0	42.2
MONUC	56.1	51.7	279.0	124.0	170.3
UNMEE	27.7	25.1	36.0	22.4	8.4
UNMIL	—	245.1	51.5	57.0	63.5
UNOCI	—	95.8	94.2	41.4	24.9
MINUSTAH	—	49.0	76.5	49.9	79.5
ONUB	—	49.6	90.3	31.1	3.4
UNMIS	—	—	161.9	147.7	62.1
UNMIT	—	—	—	—	22.2
Subtotal	**284.4**	**769.0**	**995.9**	**678.7**	**697.3**
Closed missions[a]					
UNAMSIL/UNOMSIL	93.7	108.6	54.3	14.8	7.3
UNMISET	74.1	80.5	55.4	36.8	25.0
UNIKOM	9.6	5.4	4.7	0.8	0.7
UNMIBH	46.5	37.5	35.8	35.5	35.3
UNMOT	0.4	0.1	—	—	—
UNSMIH/UNTMIH/MIPONUH	19.8	19.5	19.5	19.5	19.4
MINURCA	36.0	35.7	35.6	35.6	35.6
MONUA/UNAVEM	43.4	36.4	35.9	35.8	35.4
UNPREDEP	2.6	1.4	1.3	1.3	1.3
UNTAES	12.3	9.4	9.1	9.0	8.8
UNOMIL	1.5	0.1	0.1	0.1	—
UNPF	155.2	151.0	149.5	149.4	144.5
MINUGUA	0.2	0.2	0.2	0.1	0.1
UNMIH	1.9	0.6	0.2	0.2	0.1
UNAMIR/UNOMUR	15.3	10.5	7.6	1.7	1.5
ONUSAL	2.8	2.7	2.1	2.1	2.1
ONUMOZ	18.7	18.7	18.3	18.2	16.9
UNOSOM	61.2	60.4	59.5	59.4	58.6

	30 June 2003	*30 June 2004*	*30 June 2005*	*30 June 2006*	*30 June 2007*
UNMOT	—	—	—	—	—
UNTAC	42.8	42.7	41.8	41.8	41.2
UNTAG	0.1	0.1	—	—	—
UNIIMOG	—	—	—	—	—
UNEF (1956)	42.6	42.6	42.6	42.6	42.6
ONUC	73.9	73.9	73.9	73.9	73.9
Subtotal	**754.6**	**738.1**	**647.4**	**578.6**	**550.3**
UNLB (strategic deployment stocks)	38.5	13.6	13.6	13.6	13.6
Total	**1 077.5**	**1 520.7**	**1 656.9**	**1 270.9**	**1 261.2**

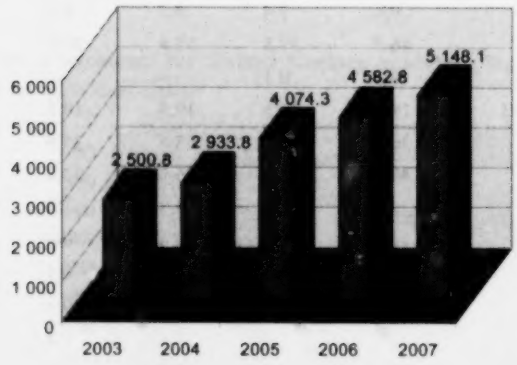
[a] Classification of active and closed mission is as at 30 June 2007; prior years have been reclassified accordingly.

E. Expenditures

9. Expenditures for the current fiscal year rose by 12.3 per cent, from $4,582.8 million in the previous fiscal year to $5,148.1 million. The net increase was mainly due to the expansion of UNIFIL and the start-up of UNMIT and the full-year impact of UNMIS, offset by the scaled-down of operations in ONUB, UNMEE and UNMIK.

10. Figure I.3 illustrates the trend in total expenditures for all peacekeeping operations for 2006/07 and the four preceding fiscal years.

Figure I.3
Expenditures for United Nations peacekeeping operations
(Millions of United States dollars)



F. Liquidity: available cash versus liabilities

1. Active missions

11. Table I.3 summarizes the available cash and liabilities for each active peacekeeping mission as a measure of liquidity and provides a comparison to 2005/06.

Table I.3
Available cash versus liabilities as at 30 June 2007: active missions
(Millions of United States dollars)

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) (1)-(2)*	*Excess/(shortfall) 30 June 2006*
UNFICYP	7.0	23.5	(16.5)	(0.2)
UNDOF/UNEF	26.4	16.0	10.4	8.9
UNIFIL	189.9	271.2	(81.3)	18.5
MINURSO	1.8	18.7	(16.9)	(18.7)
UNOMIG	7.6	7.8	(0.2)	(1.8)
UNMIK	30.1	66.9	(36.8)	(36.1)
MONUC	124.5	249.9	(125.5)	1.7
UNMEE	59.3	59.1	0.1	8.5
UNMIL	167.9	155.1	12.9	3.0
UNOCI	135.2	128.6	6.6	6.8
MINUSTAH	73.4	119.4	(46.0)	(0.2)
ONUB	109.2	84.9	24.3	67.1
UNMIS	477.8	394.0	86.9	42.5
UNMIT	64.8	50.7	14.1	—
MINUTAC	2.4	3.6	(1.2)	—
Technical Assessment Mission, AU HQ and Somalia	—	—	—	—
Total	**1 477.3**	**1 649.4**	**(172.1)**	**100.0**

[a] Sum of cash and term deposits and cash pool.
[b] Represents total liabilities.

12. Table I.3 shows also the deterioration in the overall liquidity of the active peacekeeping missions, mainly in MONUC, UNIFIL, MINUSTAH and UNMIK. In addition, MINURSO, UNMIK, UNOMIG and UNFICYP required borrowings in 2006/07 from closed missions in order to meet their immediate operational requirements (see table I.6).

13. Table I.4 indicates the most recent claim period for which payments for troops, formed police units and contingent-owned equipment had been made by 30 June 2007.

Table I.4
Status of payments for troops, formed police units and contingent-owned equipment as at 30 June 2007

Mission	*Troops and formed police unit paid up to*	*Contingent-owned equipment paid up to*
UNFICYP	April 2006	March 2006
UNDOF/UNEF	May 2007	May 2007
UNIFIL	May 2007	May 2007
MINURSO	March 2002	December 2001
UNOMIG	Not applicable	September 2006
UNMIK	December 2004	June 2004
MONUC	May 2007	March 2006
UNMEE	May 2007	December 2006
UNMIL	May 2007	March 2007
UNOCI	May 2007	March 2007
MINUSTAH	May 2007	March 2007
UNMIS	May 2007	May 2007
UNMIT	May 2007	March 2007
ONUB[a]	December 2006	December 2006

[a] All troops repatriated by December 2006.

2. Closed missions

14. Table I.5 summarizes cash available and total liabilities for all closed missions. The major change was in UNAMSIL, arising from a return of credits to Member States at the end of 2006/07.

Table I.5
Available cash versus liabilities as at 30 June 2007: close missions
(Millions of United States dollars)

	Available cash[a] (1)	*Liabilities[b] (2)*	*Excess/(shortfall) (1)-(2)*	*Excess/(shortfall) 30 June 2006*
Mission with cash surpluses				
UNAMSIL	188.7	182.6	6.1	126.4
UNIKOM	13.6	10.7	2.9	5.6
UNMIBH	19.8	6.6	13.2	11.7
UNMOT	5.1	2.4	2.7	2.5
MONUA/UNAVEM	30.7	10.0	20.7	21.6
UNPREDEP	17.2	7.5	9.7	8.8
UNTAES	21.6	8.8	12.8	12.0
UNOMIL	7.6	3.2	4.4	4.1
UNPF	103.0	40.9[c]	62.1	44.2

	Available cash[a] (1)	*Liabilities[b] (2)*	*Excess/(shortfall) (1)-(2)*	*Excess/(shortfall) 30 June 2006*
UNMIH	47.1	28.7	18.4	16.2
UNAMIR/UNOMUR	27.9	3.9	24.0	22.6
ONUSAL	5.1	3.5	1.6	1.3
ONUMOZ	1.7	1.2	0.5	(0.6)
UNMLT	0.2	0.1	0.1	0.1
UNTAG	20.6	16.5	4.1	3.1
UNIIMOG	4.7	—	4.7	4.5
Subtotal	**514.6**	**326.6**	**188.0**	**284.1**
Mission with cash deficits				
UNMISET	15.8	35.2	(19.4)	(2.9)
UNSMIH/UNTMIH/MIPONUH	2.1	9.5	(7.4)	(7.5)
MINURCA	0.1	23.9	(23.8)	(23.9)
MINUGUA	—	0.1	(0.1)	(0.2)
UNOSOM	3.2	19.7	(16.5)	(16.8)
UNTAC	0.7	40.9	(40.2)	(40.3)
UNEF (1956)	—	44.6	(44.6)	(43.2)
ONUC	—	47.0	(47.0)	(46.8)
Subtotal	**21.9**	**220.9**	**(199.0)**	**(181.6)**
Total	**536.5**	**547.5**	**(11.0)**	**102.5**

[a] Sum of cash and term deposits and cash pool.

[b] Total liabilities, including surplus to be transferred from UNPF and UNMIH of $29.6 million and $14.1 million, respectively.

[c] Excludes deferred credits of $127.4 million, being expenditures reimbursable by Member States.

15. Closed missions with cash surpluses continue to be the only available source of lending to active peacekeeping missions. During the current period, UNPF provided loans amounting to $85.5 million to MINURSO ($10 million), UNMIK ($69 million), UNOMIG ($3 million) and UNFICYP ($3.5 million). Total loans outstanding as at 30 June 2007 amounted to $18.1 million. Details of these loans and repayments are shown in table I.6.

Table I.6
Loans from closed missions
(Millions of United States dollars)

To	*From*	*Opening balance, 1 July 2006*	*Loan amount*	*Amount repaid*	*Closing balance, 30 June 2007*	*Month loaned*	*Month repaid*
MINURCA	UNMIH	3.2	—	—	3.2	August 1999	
UNSMIH	UNMIH	9.4	—	—	9.4	August 1999	
MINURSO	UNPF	2.5	—	2.5	—	July 2005	October 2006
MINURSO	UNPF	5.0	—	5.0	—	November 2005	Oct. 2006, Mar. 2007
MINURSO	UNPF	2.0	—	2.0	—	May 2006	March 2007
MINURSO	UNPF	1.5	—	1.5	—	June 2006	March, June 2006
MINURSO	UNPF	—	2.5	2.5	—	July 2006	June 2007
MINURSO	UNPF	—	2.5	2.0	0.5	July 2006	June 2007
MINURSO	UNPF	—	2.5	—	2.5	November 2006	
MINURSO	UNPF	—	2.5	—	2.5	December 2006	
UNMIK	UNPF	—	10.0	10.0	—	July 2006	August 2006
UNMIK	UNPF	—	10.0	10.0	—	July 2006	Aug., Sept. 2006
UNMIK	UNPF	—	16.0	16.0	—	December 2006	March 2007
UNMIK	UNPF	—	16.0	16.0	—	December 2006	March 2007
UNMIK	UNPF	—	17.0	17.0	—	February 2007	March, April 2007
UNOMIG	UNPF	—	3.0	3.0	—	August 2006	April 2007
UNFICYP	UNPF	—	3.5	3.5	—	February 2007	March 2007
Total		**23.6**	**85.5**	**91.0**	**18.1**		

G. Peacekeeping Reserve Fund

16. During 2006/07, loans totalling $40 million were made to provide start-up funds for UNMIT during the period from October 2006 to February 2007. These loans were repaid in March 2007. In addition, start-up loans totalling $3 million were made to MINUTAC in May and June 2007, and remained outstanding as at 30 June 2007.

17. As at 30 June 2007, the Fund had reserves and fund balance of $162.0 million. Under the terms of General Assembly resolution 61/279, the excess over the authorized level of $150 million will be applied to the net requirements of support account for peacekeeping operations for the fiscal year 2007/08. This will be further considered by the General Assembly at its sixty-second session.

H. Support account for peacekeeping operations

18. Total expenditures rose by $41.7 million, from the $136.0 million reported in 2005/06 to $177.7 million in the current period. The increase was mainly due to higher expenditures for operational requirements, reflecting the overall growth in peacekeeping operations.

I. United Nations Logistics Base at Brindisi, Italy

19. The United Nations Logistics Base manages, inter alia, surplus assets from closed or downsized missions. It also maintains mission start-up kits and strategic deployment stocks. Strategic deployment stocks with an estimated replacement value of $66.3 million were shipped to various peacekeeping and political missions and other entities during 2006/07, thereby generating funds for replenishment. Expenditures for replenishment amounted to $37.2 million.

J. Liabilities for end-of-service and post-retirement benefits

20. Previously, the after-service health insurance liabilities for peacekeeping operations were included with those of the United Nations and shown in the financial statements for the United Nations (vol. I), and the liabilities pertaining to unused vacation days and repatriation benefits were disclosed in the notes to the financial statements for peacekeeping operations. Effective 30 June 2007, all these three types of liabilities are recognized in the financial statements for peacekeeping operations. The presentation of these statements has been changed in order to recognize such liabilities, in pursuance of General Assembly resolutions 60/255 and 61/264.

21. The overall United Nations liabilities for after-service health insurance as at 31 December 2005 were determined through an actuarial valuation. Of the total accrued liability of $2,072.8 million, an amount of $330 million was apportioned to peacekeeping operations. This amount was rolled forward to 30 June 2007, and after-service health insurance liabilities as of the date pertaining to peacekeeping operations were estimated to be $389 million.

22. The accrued liabilities for unused vacation days and repatriation benefits were estimated to be $47.6 million and $23.3 million, respectively, and the amount attributable to each peacekeeping mission is recorded in its financial statement for the current period.

Annex

Supplementary information

1. The present annex provides supplementary information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. In accordance with financial rule 106.8, losses of cash and receivables amounting to $57,934 were written off during the period ended 30 June 2007. A summary statement of losses was provided to the Board of Auditors in compliance with financial rule 106.8.

Write-off of losses of property

3. In accordance with financial rule 106.9, property with an original cost of $3,521,864 was written off during the period ended 30 June 2007. The breakdown was as follows (in United States dollars):

	Original cost
Damages/accidents	1 283 190
Losses/thefts	538 713
Faulty equipment	1 152 337
Inventory discrepancies and other	547 624
Total	**3 521 864**

4. The write-offs bring the recorded balances of properties to the same levels as those shown in the property records for the actual quantities on hand.

5. The original cost of all non-expendable property on hand as at 30 June 2007 was $1,386,162,000, as also reported in note 13 to the financial statements. A summary statement showing the values of non-expendable equipment as well as property write-offs was provided to the Board of Auditors in accordance with financial rule 106.9.

Chapter II
Report of the Board of Auditors

Summary

The Board of Auditors has audited the United Nations peacekeeping accounts and operations for the financial period ended 30 June 2007. The audit was carried through field visits to 14 active missions and the United Nations Logistics Base at Brindisi, Italy, and a review of peacekeeping financial transactions and operations at Headquarters, including the Peacekeeping Reserve Fund, the support account and 24 completed missions.

In the process, the Board addressed special requests made by the Advisory Committee on Administrative and Budgetary Questions and the General Assembly.

The Board issued a modified audit opinion with two emphases of matter on the financial statements for the period under review, as reflected in chapter III. The first relates to the cancellation of unliquidated obligations totalling $202.28 million. The Board expresses its concern about the high incidence of cancellation of prior-period obligations which might be indicative of an apparent overstatement of expenditure in previous years.

The second emphasis of matter relates to the amount of $1.38 billion, representing the original cost of non-expendable property. Significant discrepancies were noted when the results of physical counts were compared with the balances shown in the asset records, indicating deficiencies in the system of asset management at the various missions. Similar deficiencies were observed in relation to unused expendable property.

Implementation of previous recommendations

As requested by the Advisory Committee on Administrative and Budgetary Questions in its report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations (A/59/736, para. 8), the Board evaluated the ageing of its previous recommendations that had not yet been fully implemented and has indicated the financial periods in which such recommendations were first made.

Coordination among oversight bodies

The Board continually coordinates with the Office of Internal Oversight Services the planning of its audits in order to avoid duplication of effort. In addition, the Board reviewed the audit coverage by the Office of peacekeeping operations in order to assess the extent to which reliance could be placed on its work.

Financial overview for the year ended 30 June 2007

For the period under review, total income was $5.53 billion, compared with $5.15 billion for the previous year, an increase of 7.38 per cent. Total expenditure amounted to $5.15 billion, compared with $4.58 billion for the previous year, an increase of 12.45 per cent. This resulted in an excess of income over expenditure of $380 million, compared with an excess of $570 million in the preceding year.

Overall findings

The key findings arising from the Board's audit are set out below.

Income and expenditure

(a) Of the amount of $5.15 billion shown as expenditures for the period under review, $973.5 million, or 18.9 per cent, represented unliquidated obligations. However, several instances were noted where the criteria for creating obligations, as stated in rule 105.9 of the Financial Regulations and Rules of the United Nations, were not strictly observed.

Assessed contributions receivable

(b) Assessed contributions outstanding as at 30 June 2007 amounted to $1.26 billion, compared with $1.27 billion as at 30 June 2006, a slight decrease. Closed missions accounted for $550.29 million, or 43.63 per cent of the outstanding amount, significant portions of which were long outstanding.

(c) The Administration continued with its previously stated policy of not making a provision for delays in the collection of outstanding assessed contributions. The Board maintains its view that such a provision would ensure that the amount shown as accounts receivable would be more realistically stated. Accordingly, it urges the Administration to keep this matter under review.

Cancellation of unliquidated obligations

(d) An amount of $202.28 million was reflected as savings on cancellation of prior-period obligations, compared with an amount of $304.17 million for the previous financial period, representing a 33.5 per cent decrease. Although unliquidated obligations can be carried forward up to a maximum of five years, the Board expresses its concern about the high incidence of cancellations of prior-period obligations, which may be indicative of an apparent overstatement of expenditure in previous years.

After-service health insurance

(e) In accordance with General Assembly resolutions 60/255 and 61/264, the Administration provided in the financial statements the sum of $389 million as a liability for after-service health insurance. Previously, such a liability was disclosed in the notes to the financial statements of the United Nations (vol. I). The Board welcomes this improvement but notes that the figure was not based on an up-to-date actuarial valuation. Instead, it was arrived at through a combination of actuarial valuation as at 31 December 2005 and a projection by management to 30 June 2007.

Financial position of closed missions

(f) The financial position of completed missions remains a matter of concern for the Board. Total cash balances relating to these missions amounted to $536.63 million, while total liabilities amounted to $503.95 million. However, there were outstanding assessments totalling $550.29 million. Should these assessments remain uncollected, eight missions would have an accumulated cash deficit of $199 million.

Support account for peacekeeping operations

(g) The Advisory Committee on Administrative and Budgetary Questions requested the Board to conduct an analysis of the support account for peacekeeping operations, taking into account the Administration's report on the matter. At the time of the audit, however, the report of the Administration was not available. Nonetheless, the Board undertook its own evaluation and noted that a number of the criteria set out by the Secretary-General in relation to the creation of posts (see A/45/493) were neither highlighted nor emphasized in the instructions for the preparation of the proposed budget for the support account for the financial period 2008/09. In addition, several instances were noted in which the staff appraisals of personnel financed under the support account did not contain adequate information to enable the extent of their involvement in peacekeeping activities to be assessed.

Results-based budgeting operations

(h) Several missions were not in full compliance with the requirement of results-based budgeting, especially with regard to indicators of achievement and outputs, to ensure that: (i) the indicators are clear, measurable and include baselines and targets; and (ii) outputs are measurable.

Expendable property

(i) Significant amounts of expendable property inventory were held at the United Nations Logistics Base (UNLB) and at the various missions. However, there was no disclosure in the financial statements of the value of such assets. The Board is of the view that disclosure in the financial statements would improve transparency, accountability and financial reporting.

(j) Based on sample tests carried out at a number of missions visited, the Board noted that there were significant discrepancies when the results of physical counts were compared with the balances shown in the Galileo database.

Non-expendable property

(k) There was evidence of surplus assets being held at a number of missions, as indicated by the length of time they remained unused. For example, of the 117,318 new items in stock which were valued at $330.12 million, approximately one third had been in stock for 12 months or more. There were also significant discrepancies when the results of physical counts were compared with the balances shown in the Galileo database.

Write-offs and disposals

(l) The Board noted that the Local Property Survey Board and the Headquarters Property Survey Board had not always acted promptly in regard to cases brought to their attention for write-offs and disposals. For example, at MINURSO, 1,341 items recommended for write-off were still pending with the Local Property Survey Board. A similar observation was made in respect of UNIFIL, at which 613 items valued at $2.12 million were pending write-off and disposal. There was also evidence of significant delays in the disposal of assets written off.

Contingent-owned equipment

(m) There were delays in conducting quarterly inspections of contingent-owned equipment at UNMIS. This is likely to impact adversely on reimbursements to troop-contributing countries.

Vehicle fleet management

(n) The CarLog system was not operating satisfactorily at UNMIL and UNMIK. In addition, the electronic fuel accounting system was not fully implemented at UNIFIL, while at UNFICYP and UNMIT, accountability for fuel needed to be enhanced.

Procurement and contract management

(o) At UNOCI and MONUC, there were significant delays in issuing of purchase orders for the procurement of goods and services. These delays ranged from 91 to 360 days from the date of approval of the related requisitions.

(p) Contracts for the supply of ground and aviation fuel at MINUSTAH had not yet been finalized. This resulted in the existing contracts being extended from May 2007 and July 2007, respectively, to December 2007.

(q) When entering into contracts with suppliers, two missions did not strictly adhere to the requirements of the Procurement Manual in regard to performance bonds and liquidated damages.

Rations management

(r) The Administration was to have introduced a rations management system in June 2006 in response to shortcomings identified by the Board in previous audits. However, as of October 2007, the system had not yet been implemented.

(s) At UNMIL, MINUSTAH and UNDOF, there was need to improve storage of rations in order to minimize spoilage. At the time of the audit, 142,247 ration packs valued at $1.03 million had been spoiled.

Air operations

(t) Of the 25 aviation safety surveys planned for the period under review, only 12 were conducted, owing to the inadequate staffing and travel budget of the Aviation Safety Section.

(u) At MINUSTAH, meteorological information was not yet available at each airport, and firefighting equipment was inadequate.

(v) Aircraft utilization at UNMIL, despite some improvements, remained a source of concern for the Board since the average utilization was 35-45 per cent. At MONUC, based on sample tests carried out, 31 per cent of the passengers were non-United Nations personnel and there was no satisfactory mechanism in place to recover either partially or totally the related cost to the mission.

Information and communication technology

(w) The functions dedicated to the development and enforcement of security standards and procedures in regard to information and communication technology had not been established, although UNLB had requested funding to do so in the 2007/08 budget. The failure to provide these services could jeopardize the operations of peacekeeping.

Human resources management

(x) Five of the missions visited did not have human resources plans, including succession planning, to enable them to determine staffing needs for the foreseeable future and to be able to address those needs. The vacancy rates were also high and posts remained vacant for unduly long periods.

Inter-agency coordination

(y) At MONUC, there was no memorandum of understanding between the Mission and other United Nations agencies for the use of common services and for the sharing of costs, which could have assisted in integrating the entities.

Integrated mission planning process

(z) The integrated mission planning process guidelines had not yet been finalized and at the time of the audit had been formulated only in general terms. As a result, the Board was unable to assess the effectiveness of the guidelines, as supported by the Advisory Committee on Administrative and Budgetary Questions.

Quick-impact projects

(aa) At four missions visited, quick-impact projects were not completed within the agreed time frames. The monitoring of these projects, including physical verifications, and the related record keeping also needed to be strengthened.

Resident auditors

(bb) A significant number of planned audits by resident auditors attached to the Office of Internal Oversight Services were not undertaken or completed as planned. For 2006/07, of the 201 audits planned, only 86 were started and completed as at 31 December 2006, while 46 were ongoing The vacancy rates for resident auditor posts were also considered high.

Recommendations

The Board has made several recommendations based on its audit observations. A summary of the main recommendations is set out in paragraph 16 of the present report.

A. Introduction

1. The Board of Auditors has audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2006 to 30 June 2007, in accordance with General Assembly resolutions 74 (I) of 7 December 1946, 47/211 of 23 December 1992 and 49/233 A of 23 December 1994. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto, as well as the International Standards on Auditing. Those Standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion on whether the financial statements presented fairly the financial position of the United Nations peacekeeping operations as at 30 June 2007 and the results of operations and cash flows for the financial period then ended, in accordance with the United Nations system accounting standards. This included an assessment of whether the expenditures recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenditures had been properly classified and recorded in accordance with the Financial Regulations and Rules. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its expanded audit coverage at Headquarters, 14 active field missions, UNLB, the accounts of 24 completed missions, the Peacekeeping Reserve Fund and the support account for peacekeeping operations, as listed in annex I.

4. In addition to the audit of the accounts and financial transactions, the Board carried out reviews of peacekeeping operations under financial regulation 7.5. This requires the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the peacekeeping operations. The General Assembly had requested the Board to follow up on previous recommendations and to report to it accordingly. Those matters are addressed in paragraphs 11 to 15 below.

5. The present report addresses the specific request made by the Advisory Committee on Administrative and Budgetary Questions (see A/60/807, paras. 8-14) to conduct an analysis of the management of post and non-post resources of the support account, notwithstanding the non-availability of the Administration's report on the matter. The Board is yet to conduct the assessment of the integrated mission planning process, as supported by the Advisory Committee (A/61/866, para. 21), since the guidelines thereon have not yet been implemented.

6. The Board did not review the recent restructuring of the peacekeeping operations since it was still in progress at the time of the audit. The Board proposes to conduct such a review at the conclusion of the restructuring exercise. Similarly, a review of the recent establishment of the African Union-United Nations Hybrid Operation in Darfur (UNAMID) subsequent to the closing of the accounts has not yet been undertaken.

7. The Board continued to report the results of audits to the Administration in the form of management letters containing detailed observations and recommendations. This practice has allowed for ongoing dialogue with the Administration. In this regard, 15 management letters were issued covering the financial period under review.

8. Where observations in the present report refer to specific missions, such observations are limited only to the locations or missions specified. They do not in any way imply that they are applicable to other missions, or that they may not also exist at other missions and locations.

9. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views have been appropriately reflected in the report.

10. The Board's main recommendations are contained in paragraph 16 below. The detailed findings and recommendations are discussed in paragraphs 19 to 352.

1. Status of implementation of previous recommendations

11. In accordance with section A, paragraph 7, of General Assembly resolution 51/225, the Board reviewed the actions taken by the Administration to implement the recommendations made in its reports for the financial periods ended 30 June 2005 and 30 June 2006.

Period ended 30 June 2005

12. Of the 45 recommendations made for the fiscal year 2004/05, 28 were reiterated in the report for the period ended 30 June 2006. Of the remaining 17, 7 had been implemented and 10 partially implemented.

Period ended 30 June 2006

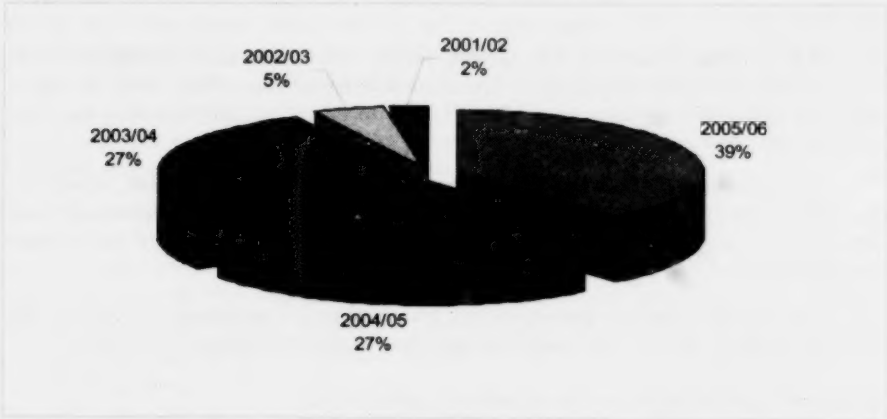
13. Of the 61 recommendations made for the fiscal year 2005/06 (including the 28 reiterated from 2004/05), 30 (49 per cent) had been implemented, 29 (48 per cent) had been partially implemented and 2 (3 per cent) had not been implemented. Details of the actions taken and the comments of the Board are included in the present report and summarized in annex II.

Ageing of previous recommendations

14. The Board evaluated the ageing of its previous recommendations that were partially or not yet implemented, as requested by the Advisory Committee on Administrative and Budgetary Questions (A/59/736, para. 8). The financial periods in which such recommendations were first made are indicated in annex II.

15. Of the 39 recommendations that were partially implemented and 2 not implemented, 16 (39 per cent) relate to 2005/06, 11 (27 per cent) to 2004/05, 11 (27 per cent) to 2003/04, 2 (5 per cent) to 2002/03, and 1 (2 per cent) to 2001/02, as depicted in figure II.1.

Figure II.1
Partially implemented and unimplemented recommendations made for prior years



2. Main recommendations

16. **The Board's main recommendations are that the Administration and/or the relevant mission or missions:**

(a) **Keep under review the concern expressed by the Board about the non-provision in the financial statements for delays in the collection of assessed contributions (para. 35);**

(b) **Ascertain the reasons for the high incidence of cancellation of unliquidated obligations with a view to minimizing the extent to which such cancellations take place (para. 38);**

(c) **Adhere strictly to the requirements of rule 105.9 of the Financial Regulations and Rules of the United Nations in relation to unliquidated obligations, and improve the related internal control procedures (para. 44);**

(d) **Determine the extent of end-of-service liabilities that relate to prior years so that the appropriate accounting treatment can be undertaken (para. 49);**

(e) **Revisit the report of the Secretary-General (A/45/493) to determine those criteria that might hamper the efficient management of the support account in the light of changing circumstances and needs (para. 67);**

(f) **Ensure that all indicators of achievement and outputs for the results-based budgeting framework are clear and measurable and that they include baselines and targets for the current and the ensuing financial year in order to facilitate monitoring and reporting (para. 80);**

(g) **Consider disclosing in the financial statements the value of unused expendable property at the end of the financial period in order to improve transparency, accountability and financial reporting (para. 102);**

(h) Conduct a physical inventory of all expendable property at all locations and reconcile the discrepancies between the physical counts and the quantities recorded in the Galileo system (para. 116);

(i) Expedite the review of non-expendable property at all missions to ascertain the realistic quantities that should be held and take appropriate measures to redeploy surplus assets to other missions in need of them or to UNLB, or to dispose of them (para. 123);

(j) Ensure that the Local Property Survey Board and the Headquarters Property Survey Board expedite all cases brought to their attention of assets that are pending write-off (para. 129);

(k) Conduct periodic physical verifications of non-expendable property at all missions and locations, investigate promptly all discrepancies and take corrective action to avoid a recurrence (para. 139);

(l) Conduct quarterly inspections of contingent-owned equipment in a timely manner so as to facilitate reimbursements to troop-contributing countries (para. 157);

(m) Investigate the causes of the discrepancies and errors in the reports generated by CarLog and implement measures to rectify them (para. 165);

(n) Identify the causes for delays in the issuance of purchase orders and adopt measures to ensure that all purchase orders are issued within a reasonable time after the approval of the related requisitions (para. 184);

(o) Ensure that, when executing contracts, all missions adhere strictly to the requirements of the Procurement Manual in respect of performance bonds and liquidated damages (para. 203);

(p) Expedite the implementation of a rations management system to ensure the proper management and administration of rations (para. 229);

(q) Take appropriate measures to ensure that rations are stored at the prescribed temperature in order to minimize spoilage (para. 237);

(r) Expedite the recruitment of personnel and the acquisition of meteorological equipment in order to minimize aviation safety risks and ensure compliance with both international and United Nations aviation safety standards (para. 256);

(s) In conjunction with UNLB, expedite the establishment of a function dedicated to the development and enforcement of information and communications technology security standards and procedures (para. 274);

(t) Develop and implement comprehensive human resources plans, as well as succession plans, to enable the missions to attract and retain suitably qualified and trained persons (para. 285);

(u) Take steps to ensure that the integrated mission planning process guidelines are finalized and made fully operational as early as possible (para. 323);

(v) Expedite the completion of the guidelines relating to quick-impact projects and ensure that they are implemented at all missions (para. 330);

(w) **In collaboration with the management of missions, develop strategies to ensure that quick-impact projects are completed within the agreed time frames and that physical inspections are carried out periodically to ensure that the work undertaken is of an acceptable quality (para. 338);**

(x) **Expedite the filling of all resident auditor posts to ensure effective internal audit coverage of all missions and carefully monitor the workplans of the resident audit service to ensure that audits are executed and finalized in a timely manner (para. 347).**

17. The other recommendations of the Board appear in paragraphs 41, 57, 72, 78, 84, 86, 89, 92, 96, 108, 132, 135, 144, 153, 171, 174, 178, 192, 195, 198, 208, 211, 214, 215, 218, 232, 234, 240, 243, 246, 253, 258, 261, 263, 266, 270, 277, 280, 283, 293, 296, 302, 305, 308, 312, 315, 318, 325 and 332. These recommendations do not address the sanctions or disciplinary steps that the Administration may wish to impose on defaulting officials for consistent failure to ensure compliance with the Financial Regulations and Rules of the United Nations, administrative instructions and other related directives.

B. Coordination with the other oversight bodies

18. The Board continues to coordinate with the Office of Internal Oversight Services in the planning of its audits in order to avoid duplication of effort and to determine the extent of reliance that could be placed on its work.

C. Detailed findings and recommendations

1. Financial overview

Key financial ratios

19. As shown in table II.1 below, all the financial indicators reflected improvements, except the ratio of the availability of cash to settle the liabilities of active missions and special accounts, which declined from 1.25 in 2005/06 to 0.80 in 2006/07. This decline was due mainly to the application of return of credits to Member States. The ratios were computed from the figures presented in statements I and II.

Table II.1
Ratios of key financial indicators

	Year ended 30 June				
Description of ratio	*2004*	*2005*	*2006*	*2007*	*Component of 2007 ratio*[a]
Assessed contributions outstanding/total assets[b]	0.46	0.45	0.34	0.33	1261.18/3766.35
Cash/total assets[c]	0.47	0.48	0.59	0.59	2232.81/3766.35
Cash/liability (active missions, peacekeeping reserve fund, support account and UNLB)[d]	0.74	0.82	1.25	0.80	1696.18/2129.91

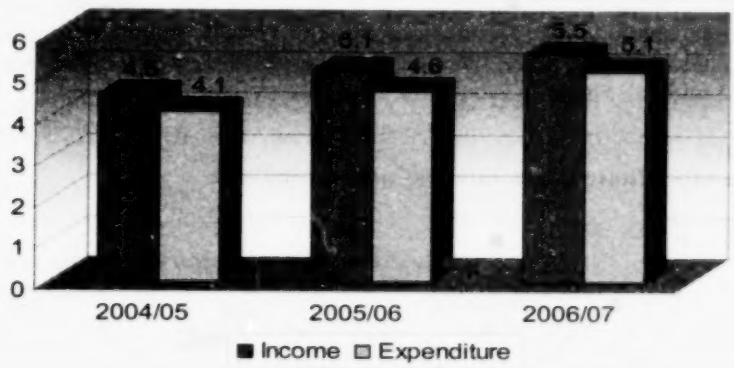
Description of ratio	*Year ended 30 June*				*Component of 2007 ratio*[a]
	2004	*2005*	*2006*	*2007*	
Cash/liability (closed missions)[d]	0.65	0.76	0.76	0.85	536.62/631.33
Unliquidated obligations/total liabilities[e]	0.52	0.62	0.57	0.37	973.50/2657.97

[a] In millions of United States dollars.
[b] A low indicator depicts a healthy financial position.
[c] A high indicator depicts a healthy financial position.
[d] A low indicator is a reflection that insufficient cash is available to settle debts.
[e] A low indicator is a positive reflection that obligations are being liquidated.

Analysis of income and expenditure

20. Total income for the period under review amounted to $5.53 billion, while total expenditure amounted to $5.15 billion, giving an excess of income over expenditure of $380 million. Comparative income and expenditure for the financial periods 2004/05, 2005/06 and 2006/07 are shown in figure II.2.

Figure II.2
Comparative income and expenditure
(Billions of United States dollars)



21. As shown in statement I, amounts totalling $860.27 million were shown as credits to Member States, compared with $492.63 million for the preceding financial period. Table II.2 shows the trend in credits to Member States over the past five financial periods.

Table II.2
Trends in credits to Member States

(Millions of United States dollars)

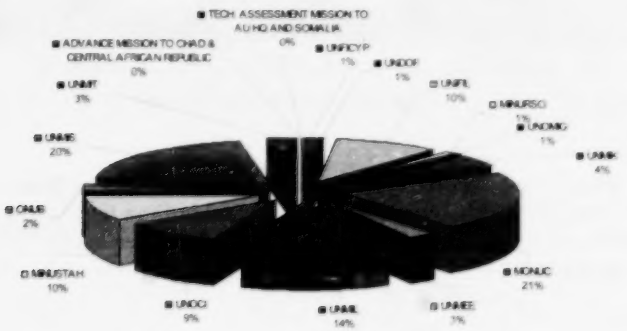
	2002/03	*2003/04*	*2004/05*	*2005/06*	*2006/07*
Returns to Member States	369	339	245	492	860
Assessed contributions	2 520	2 927	4 393	4 919	5 347
Percentage of returns to assessed contributions	15	12	6	10	16

22. As can be noted, returns to Member States for the period under review amounted to 16 per cent of assessed contributions, compared with 10 per cent for the previous financial period.

23. The Administration commented that credits to Member States were not due to overbudgeting but were rather a reflection of the dynamic and unpredictable nature of peacekeeping operations. In the case of ONUB, the return of credits for the years 2004, 2005 and 2006 was postponed through the actions of the General Assembly and they were only returned when the mission was wound up in 2007. If the credits pertaining to UNMIS and ONUB were excluded, the percentage of credits returned for the fiscal year 2006/07 would drop to 10.6 per cent.

24. The increase in expenditures of $570 million, or 12.45 per cent, was attributable mainly to the expanded operations of UNIFIL (from $96.24 million in 2005/06 to $499.78 million in 2006/07) and the establishment of UNMIT in 2006/07 ($146.85 million). Figure II.3 shows the expenditures for active missions.

Figure II.3
Mission expenditure as percentage of total expenditure



25. A significant decline in expenditure levels owing to a change in mandate was recorded by UNAMSIL, UNTAET/UNMISET and ONUB. Their expenditures are reflected in table II.3.

Table II.3
Missions recording a significant decline in expenditure levels
(Thousands of United States dollars)

Mission	Expenditures		Decrease	Percentage decrease
	2006/07	2005/06		
UNAMSIL	—	91 814	91 814	100
UNTAET/UNMISET	—	1 715	1 715	100
ONUB	121 960	254 372	132 412	52

Cash pool

26. Rule 104.12 of the Financial Regulations and Rules authorizes the investment of funds not immediately needed for operations. The report on the participating funds' share of the United Nations Headquarters cash pool showed that the total participation of 40 peacekeeping funds in the pool amounted to $2.17 billion as at 30 June 2007.

27. Each participating fund is provided with an investment account in the Operations Processing and Integrated Control System (OPICS) in which the invested balances and the daily accrued interest earned are maintained. Capitalization of interest is undertaken on a semi-annual basis. However, interest is accrued and credited to participating funds on a daily basis.

Assessed contributions receivable

28. Assessed contributions outstanding as at 30 June 2007 remained almost unchanged ($1.26 billion in 2006/07 and $1.27 billion in 2005/06), as shown in table II.4.

Table II.4
Assessed contributions outstanding by mission
(Thousands of United States dollars)

Mission	Assessed contributions outstanding				Percentage increase (decrease)
	2006/07		2005/06		
	Amount	Percentage to total	Amount	Percentage to total	
UNFICYP	13 234	1.05	16 138	1.27	(18)
UNDOF	10 991	0.87	16 564	1.30	(34)
UNIFIL	145 922	11.57	60 498	4.76	141
MINURSO	43 882	3.48	48 793	3.84	(10)
UNOMIG	6 761	0.54	12 224	0.96	(45)
UNMIK	42 195	3.35	51 003	4.01	(17)
MONUC	170 267	13.50	123 934	9.75	37
UNMEE	8 449	0.67	22 394	1.76	(62)
UNMIL	63 483	5.03	57 011	4.49	11

Mission	Assessed contributions outstanding				Percentage increase (decrease)
	2006/07		2005/06		
	Amount	Percentage to total	Amount	Percentage to total	
UNOCI	24 894	1.97	41 448	3.26	(40)
MINUSTAH	79 451	6.30	49 912	3.93	60
ONUB	3 429	0.27	31 128	2.45	(89)
UNMIS	62 106	4.92	147 722	11.62	(58)
UNMIT	22 235	1.76	—	—	—
Total, active missions	**697 299**	**55.29**	**678 769**	**53.41**	**3**
Total, closed missions and special accounts	**563 883**	**44.71**	**592 143**	**46.59**	**(5)**
Total, peacekeeping operations	**1 261 182**	**100.0**	**1 270 912**	**100.0**	**(1)**

29. As can be noted, not much progress was made in the collection of assessments, especially in relation to closed missions. Of the total amount of $1.26 billion outstanding, $594.38 million was more than two years in arrears. Of this latter amount, $563.88 million pertained to closed missions and special accounts.

30. There was a 5 per cent decrease in the balance of outstanding assessed contributions for closed missions and special accounts. This was a result of the application of return of credits to Member States arising from prior-year surpluses, such as unencumbered balance of appropriations, interest income and savings on or cancellations of prior-year obligations.

31. Paragraph 33 of the United Nations system accounting standards states that "the Organization may make a provision for delays in the collection of the outstanding contributions". However, note 2 (1) (iii) to the financial statements states that it is "the policy of the United Nations not to make provision for delays in collection of such assessments".

32. The Administration commented that the Advisory Committee on Administrative and Budgetary Questions was of the opinion that assessed contributions were collectible until the General Assembly decided otherwise (A/51/533, para. 51). In addition, in its resolution 61/233 B, the General Assembly had reiterated that the issue of outstanding assessed contributions was a policy matter of the General Assembly and had urged all Member States to make every possible effort to ensure the payment of their assessed contributions in full. Since the position of the General Assembly had been consistent on the issue, the Administration stated that it had no basis on which to consider a new policy.

33. The notes to the financial statements state that certain Member States have indicated that they would not be paying their outstanding assessments. In view of the special nature of assessments, and the requirement of the United Nations system accounting standards, the Board is of the view that financial reporting could be improved if provision were made in accounts to recognize delays in the collection of outstanding contributions.

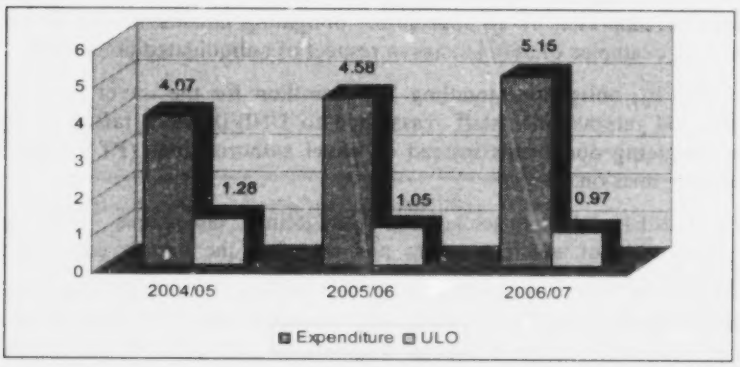
34. The non-provision for delays in the collection of assessed contributions was raised in the Board's previous report, in which it presented the issue as an emphasis of matter in its audit opinion.

35. **The Board recommends that the Administration keep this matter under review.**

Unliquidated obligations

36. Unliquidated obligations as at 30 June 2007 amounted to $973.5 million, representing 18.9 per cent of total expenditure and a decrease of 7.62 per cent from the $1.05 billion in 2005/06. Figure II.4 depicts unliquidated obligations against total expenditure for the financial periods 2004/05, 2005/06 and 2006/07.

Figure II.4
Unliquidated obligations as against total expenditure
(Billions of United States dollars)



37. As shown in statement III, the amount of $202.28 million was reflected as savings on cancellations of prior-period obligations, compared with the amount of $304.17 million for the previous financial period, representing a 33.5 per cent decrease. Although unliquidated obligations can be carried forward up to a maximum of five years, the Board expresses concern about the high incidence of cancellations of prior-period obligations, which may be indicative of an apparent overstatement of expenditure in previous years.

38. The Board recommends that the Administration ascertain the reasons for the high incidence of cancellation of unliquidated obligations with a view to minimizing the extent to which such cancellations take place.

39. At UNMIS, 119 purchase orders valued at $17.55 million did not meet the criteria established under regulations 5.2 to 5.4 of the Financial Regulations and Rules in that they were approved in the period from July to August 2007, which was outside the accounting period.

40. UNMIS stated that the purchase orders had been approved within the extended deadlines of 15 July 2007 for UNMIS and 27 July 2007 for the heavy support package for Darfur, as approved by the Office of Programme Planning, Budget and Accounts.

41. The Board recommends that the Administration ensure strict compliance with cut-off procedures in the preparation of financial statements.

42. The Administration commented that the specific cases cited were processed under the exemption granted to the Mission by Headquarters to acquire goods and services that were urgently required by UNMIS and UNAMID. This was a one-time only exception and was done in view of the extremely dynamic and fluid environment under which UNMIS operated. In addition, there was the need to redirect resources towards the heavy support package for Darfur during the last quarter of the period under review. Because of this, there was insufficient time to raise requisitions and to obligate the funds before 30 June 2007. The Administration further stated that had the cut-off date not been extended, the unutilized amount would have been surrendered, contrary to the purposes for which the General Assembly authorized the funding.

43. Rule 105.9 of the Financial Regulations and Rules provides that an obligation must be based on a formal contract, agreement, purchase order or other form of undertaking, or on a liability recognized by the United Nations, and that all obligations must be supported by an appropriate obligating document. The Board noted the following examples of deficiencies in respect of unliquidated obligations:

(a) At UNIFIL, obligations totalling $0.30 million for the travel costs of various mission and international staff reassigned to UNIFIL were raised using miscellaneous obligating documents instead of travel authorizations (PT.8 forms) from the originating mission;

(b) At UNMEE, 14 miscellaneous obligating documents totalling $0.55 million were without specific payees and therefore the parties contracted could not be established.

44. The Board recommends that UNIFIL and UNMEE strictly adhere to the requirements of rule 105.9 of the Financial Regulations and Rules of the United Nations in relation to unliquidated obligations, and improve their internal control procedures.

End-of-service liabilities

45. The financial statements for the period under review reflected end-of-service liabilities amounting to $460 million. Of this amount, $389 million represented after-service health insurance liabilities, $48 million related to unused vacation leave credits and $23 million represented repatriation benefits. Table II.5 shows the end-of-service liabilities (excluding those of after-service health insurance), by mission, as at 30 June 2007.

Table II.5
End-of-service liabilities[a] by mission as at 30 June 2007
(Thousands of United States dollars)

Mission	*Unused leave credits*	*Repatriation benefits*	*Total*
UNFICYP	1 179	649	1 828
UNDOF	673	563	1 236

Mission	*Unused leave credits*	*Repatriation benefits*	*Total*
UNIFIL	3 719	2 042	5 761
MINURSO	731	717	1 447
UNOMIG	674	306	980
UNMIK	8 043	2 338	10 382
MONUC	5 422	3 034	8 456
UNMEE	1 382	692	2 074
UNMIL	3 197	1 625	4 821
UNOCI	2 734	1 181	3 915
MINUSTAH	2 079	1 024	3 103
ONUB	617	315	932
UNMIS	5 286	1 297	6 583
UNMIT	1 094	302	1 396
UNLB	1 673	408	2 082
Support account	9 071	6 753	15 824
UNAMSIL	36	15	51
UNMISET	4	19	23
Total	**47 614**	**23 280**	**70 894**

[a] Excludes after-service health insurance liabilities.

46. In accordance with General Assembly resolutions 60/255 and 61/264, the Administration has changed the presentation of end-of-service liabilities from disclosure in the notes to the financial statements to accounting and presentation in the statements themselves.

47. The instructions issued by the Accounts Division provided for the recognition, measurement and presentation of end-of-service liabilities. One of the instructions relates to the recognition of both current and prior-year liabilities as adjustments to reserves and fund balances. This is contrary to generally accepted accounting principles and would result in an understatement of expenditure for the period under review.

48. The Administration commented that the annual leave liabilities were accrued as at 30 June 2007 and that it was appropriate to reflect those liabilities as an adjustment to reserve and fund balances. The Board is, however, of the view that the current-year charge for end-of-service liabilities should be reflected as expenditure instead of as an adjustment to reserves.

49. The Board recommends that the Administration obtain the data necessary to appropriately disclose end-of-service liabilities for future years.

After-service health insurance

50. At the end of their service, eligible staff members are entitled to after-service health insurance coverage. Previously, the after-service health insurance liabilities

for peacekeeping personnel were included in the regular budget and were shown in a note to the financial statements of the United Nations (vol. I).

51. Effective 30 June 2007, the liabilities for after-service health insurance have been reflected in the financial statements of peacekeeping operations. The overall accrued after-service health insurance liabilities of the United Nations, as determined by actuarial valuation, amounted to $2.07 billion as at 31 December 2005, and the amount pertaining to peacekeeping operations was estimated at $330 million. The latter amount was projected to 30 June 2007 at $389 million.

52. The Administration explained that the amount of after-service health insurance liabilities relating to peacekeeping could not be precisely determined. It also stated that, of the total amount of $389 million for peacekeeping, $241 million related to active staff and was based on actuarial valuation. The Administration further stated that the remaining $148 million related to retirees and was based on a reasonable allocation methodology. The Board intends to follow up this matter in the next financial period.

2. United Nations system accounting standards

53. The Board assessed the extent to which the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2007 conformed to the United Nations system accounting standards. The assessment indicated that the financial statements were consistent with those standards in all material respects.

3. Missions in liquidation

54. Pursuant to Security Council resolution 1692 (2006), the complete disengagement of the United Nations Mission in Burundi (ONUB) took place as at 31 December 2006. Accordingly, the liquidation of the Mission's assets and repatriation of all support staff commenced on 1 January 2007 and concluded on 30 June 2007.

55. As at 30 June 2007, incurred expenditures of ONUB amounted to $121.96 million against a total income of $137.37 million, giving an excess of income over expenditure of $15.41 million. There were also savings on cancellations of prior-period obligations of $15.32 million. Under the terms of General Assembly resolutions 61/9 A and 61/9 B, Member States were credited with the amount of $100.65 million, comprising unencumbered balances and other income in respect of the financial periods 2004/05, 2005/06 and 2006/07.

4. Completed missions

56. The financial position of completed missions remained a matter of concern for the Board. As shown in table II.6 below, total cash balances relating to these missions amounted to $536.63 million while total liabilities amounted to $503.95 million. However, there were outstanding assessments totalling $550.29 million. Should these assessments remain uncollected, eight missions would have an accumulated deficit of $199 million.

Table II.6
Assets and liabilities of completed missions
(Thousands of United States dollars)

Mission	*End of mandate*	*Cash (1)*	*Outstanding assessment (2)*	*Liabilities (3)*	*Surplus/ (deficit) (1)-(3)*
UNAMSIL	31 December 2005	188 685	7 326	182 548	6 137
UNMISET	20 May 2005	15 800	24 985	35 208	(19 408)
UNIKOM	October 2003	13,634	689	10 778	2 856
UNMIBH	December 2002	19 824	35 250	6 643	13 181
UNMOT	May 2000	5 109	12	2 407	2 702
MIPONUH	March 2000	2 087	19 426	9 480	(7 393)
MINURCA	February 2000	55	35 566	23 892	(23 837)
MONUA/ UNAVEM	February 1999	30 705	35 356	10 007	20 698
UNPREDEP	February 1999	17 208	1 273	7 512	9 696
UNTAES	January 1998	21 638	8 850	8 811	12 827
UNOMIL	September 1997	7 615	36	3 227	4 388
UNPF	June 1997	102 986	144 480	11 314	91 672
MINUGUA	May 1997	36	146	162	(126)
UNMIH	July 1996	47 112	102	14 626	32 486
UNAMIR/ UNOMUR	March 1996	27 859	1 497	3 913	23 946
ONUSAL	April 1995	5 114	2 062	3 507	1 607
ONUMOZ	December 1994	1 746	16 912	1 201	545
UNOSOM	March 1995	3 216	58 555	19 741	(16 525)
UNMLT	November 1994	247	10	107	149
UNTAC	March 1994	697	41 197	40 852	(40 155)
UNTAG	June 1991	20 554	24	16 470	4 084
UNIIMOG	June 1991	4 698	18	0	4 698
UNEF	June 1967	0	42 627	44 579	(44 579)
ONUC	June 1964	0	73 892	46 968	(46 968)
Total		**536 625**	**550 291**	**503 953**	—

57. **The Board remains of the view that the intervention of Member States is necessary to settle the obligations of all completed missions.**

5. Support account

58. The support account was initially conceived to provide funding for overload posts necessary for the overall direction, assistance and guidance by departments, offices and other units at the Headquarters and to ensure the effective planning, implementation and liquidation of peacekeeping operations. Over the years, the

resources required for financing of the support account have continuously increased. From its level of $30.53 million in 1996/97, resource requirements in 2006/07 amounted to $169.40 million.

59. The Advisory Committee on Administrative and Budgetary Questions (see A/60/807) requested the Board to undertake an analysis of the support account taking into consideration the Administration's report on the matter. At the time of the audit, the Administration's report was not available. The Administration explained that the report had been completed but that the findings therein had yet to be validated by the departments and offices funded from the support account.

60. Notwithstanding the unavailability of the report, the Board had undertaken an analysis of the support account in its audit for the financial period ending 30 June 2006 and followed up on the status of implementation of its recommendations. The results of the follow-up are presented below.

Creation of posts

61. In response to the Board's previous report, the Peacekeeping Financing Division assured the Board that the criteria set out in subparagraphs 16 (a) and (f) of the report of the Secretary-General on the support account (A/45/493) would be highlighted in its forthcoming memorandum on budget instructions for the support account for the financial period from 1 July 2008 to 30 June 2009. Those criteria require the Programme Planning and Budget Division to evaluate the proposed grading of posts vis-à-vis prevailing standards for post classification and the effect that the creation of a post would have on grading and organizational structures.

62. The Peacekeeping Financing Division agreed to revisit the guidelines set out in document A/45/493, in particular the criterion contained in subparagraph 16 (f), given that the introduction of generic job profiles had superseded the need to submit the posts to the Office of Human Resources Management for classification. It was noted that the Secretary-General had the discretion to authorize temporary posts up to the level of funding. However, the Board's review of the instructions for the proposed budget for the support account for the said period indicated that these criteria had been neither highlighted nor emphasized.

63. The Peacekeeping Financing Division commented that the establishment of the proposed new support account posts was subject to review and approval by the legislative bodies based on the justifications provided in the support account budget and was not contingent upon their prior formal classification. The Division stated that the prior formal classification of the proposed posts (i.e., those not covered by generic job profiles), as set out in subparagraph 16 (e), would result in

an additional workload and might require the provision of additional resources for the Office of Human Resources Management in order to ensure the timely submission of the support account budget to the legislative bodies.

64. The Peacekeeping Financing Division also commented that the requirements set out in the criteria had been addressed in the budget instructions in the broad context of the implementation of the recommendations of the Advisory Committee on Administrative and Budgetary Questions in its general report on peacekeeping operations (A/61/852) and its report on the support account (A/61/937, sect. II) and of the requests of the General Assembly in its resolutions 61/276 and 61/279 regarding the efficiency and effectiveness of the new peacekeeping structure in the

implementation of mission mandates. The Division agreed that the criteria remained valid and stated that it would continue their practical implementation in the context of the Secretary-General's proposals for human resources management reform.

65. It is in recognition of the dynamic nature of peacekeeping operations that the Board had recommended that the criteria set out in document A/45/493 be revisited with a view to addressing changing circumstances and needs. The Administration had agreed to undertake this but, at the time of the audit, it had not been done.

66. The United Nations Controller acknowledged the concerns of the Board in relation to this matter and indicated that those concerns would be conveyed to the departments and offices of the Secretariat. With regard to the criteria contained in document A/45/493, the Controller stated that they would be addressed in the context of the implementation of General Assembly resolution 61/279.

67. **The Administration agreed with the Board's reiterated recommendation that, in the light of changing circumstances and needs, it revisit the criteria set out by the Secretary-General in relation to the creation of posts (A/45/493, subparas. 16 (e) and (f)) to determine those that might hamper the efficient management of the support account.**

Evaluation of posts

68. The Administration commented in response to the Board's previous report that it did not have any objection to ensuring that workplans in the electronic performance appraisal system (e-PAS) made reference to the support of peacekeeping operations and that this would be done in the e-PAS cycle for the period from 1 April 2006 to 31 March 2007.

69. The Board reviewed nine e-PAS records for the said period and noted that the activities detailed in three workplans did not show those related to peacekeeping operations as they were stated only in general terms. In addition, two workplans showed minimal activities for peacekeeping. Also, the self-evaluations of six staff members did not indicate the actual work done for peacekeeping operations, while one self-evaluation provided only a general statement of activities undertaken. Further, the comments by evaluating officers on four e-PAS records made no mention of the peacekeeping activities undertaken by the staff members being evaluated.

70. The Peacekeeping Financing Division commented that programme managers had the flexibility in utilizing the totality of resources to achieve the results set out in the results-based budgeting framework and the strategic framework within the overall functional responsibilities of the unit or section concerned. The Division stated that the requirement that the workplans of individual staff members provide adequate, clear/specific, consistent and updated information to facilitate review and verification of the use of support account posts would be reiterated to the incumbents of those posts.

71. In view of the manner in which the workplans had been prepared, the extent to which support account posts had been used for backstopping peacekeeping operations could not be properly determined.

72. **The Administration agreed with the Board's reiterated recommendation that it ensure that workplans provide adequate, clear/specific, consistent and**

updated information to facilitate review and verification of the use of posts, as intended. The Board also recommends that the Administration require incumbents and their supervisors to ensure that workplans reflect the activities to be undertaken in connection with peacekeeping operations.

6. Write-off of losses of cash, receivables and property

73. The Administration informed the Board that, in accordance with financial rule 106.9, property losses of $3.52 million ($4.36 million in 2005/06) had been written off during 2006/07. In accordance with financial rule 106.8, losses amounting to $57,934 ($63,660 in 2005/06) had also been written off in respect of accounts receivable. These losses included amounts considered irrecoverable, cash losses and overpayments.

7. Ex gratia payments

74. As required by financial regulation 5.11, the Administration reported ex gratia payments in respect of peacekeeping operations for the period under review amounting to $13,436, as follows:

(a) At UNMIS, $8,636 was paid to the family of a Sudanese national who had been killed in an accident involving a United Nations vehicle. Initially, an ex gratia payment was made for $22,936 but was reduced to $8,636 due to a reimbursement of $14,300 by the global insurer;

(b) At UNIFIL, $4,800 had been paid to four battalion personnel for the destruction of their personal kits.

8. Results-based budgeting

75. Results-based budgeting adopts a logical framework which provides the basis for the formulation of the budget and measurement of performance.

Support account budget

76. In the review of compliance of the support account budget with the logical framework, the Board noted that the first expected accomplishment was a general statement which did not provide for comparison with the actual accomplishment. In addition, baseline and/or target data were not present in the indicators of achievement in the Police Division, Office of Internal Oversight Services and Office of Mission Support. A significant number of identified outputs were activities to be undertaken to achieve the expected accomplishments and not the product of those activities, and therefore were not quantified. In the absence of baseline and/or target data and of specific, measurable and time-bound outputs, any improvement or decline in accomplishments could not be properly determined.

77. The Administration commented that further refinements and improvements in the formulation of the expected accomplishments, indicators of achievement and associated outputs of the support account were ongoing and would continue in the context of the proposed budget for the support account for 2008/09.

78. **The Board recommends that the Administration ensure that all departments and offices involved in the support account continue to improve**

the budget formulation processes in accordance with the results-based budgeting logical framework.

Indicators of achievement

79. During the Board's follow-up of previous audit recommendations, the Administration indicated that, in conjunction with the missions, significant progress had been made in developing clear and measurable indicators of achievement in the missions' results-based framework for 2006/07 and that further improvements would be achieved during the preparation of the budget for 2007/08. Paragraph 16 of the results-based budgeting guidelines stipulates that all elements of the logical frameworks are formulated as specific, measurable, attainable, realistic and time-bound. However, the Board noted that this requirement had either not been adhered to or there was need for further enhancement, as follows:

(a) At UNMIT, several planned outputs had not been accomplished. The Administration commented that timelines for outputs in the budget were generally realistic and that the noted cases were mainly outputs whose completion depended on external factors which were beyond the control of UNMIT;

(b) At UNOMIG, there was a need to update the logical framework to include the identification of other outputs and to link outputs with expected accomplishments. Some outputs had also not been quantified to facilitate evaluation;

(c) At UNMIL and UNMIK, further improvements could be made to the indicators of achievement and the outputs, particularly as regards measurability and the setting of baselines, targets and time frames;

(d) At MONUC, indicators of achievement on at least two components were not measurable. As such, there was the risk that progress made in attaining the expected accomplishment could not be effectively monitored;

(e) At MINUSTAH, some indicators of achievement, particularly those related to political matters, were complex to validate, thereby rendering monitoring of the progress difficult;

(f) At UNOCI, of the three components of its framework — the objectives for ceasefire, the disarmament, demobilization and reintegration, and the peace process — remained largely strategic, with qualitative indicators that were difficult to determine. The indicators also reflected activities rather than performance and there was no link to the cost of the activities.

80. **The Board reiterates its previous recommendation that the Administration ensure that all indicators of achievement and outputs for the results-based budgeting framework are clear and measurable, and that they include baselines and targets for the current and the ensuing financial year in order to facilitate monitoring and reporting.**

81. The Administration informed the Board that at the budget workshop held in Cairo in July 2007, the development of clear and measurable indicators of achievement had been the main focus. It also explained that the concerns expreseed by the Board had been addressed in the revised draft budget for 2008/09.

Portfolio of evidence

82. The Administration commented that, in response to the Board's recommendation in its previous report, it was in the process of developing an electronic budget application project. The new system would have a tool to assist missions in monitoring the collection of a portfolio of evidence to support the performance report. In the current audit, the Administration indicated that the implementation of the Board's recommendation was in progress and that the new system was expected to go live by July 2008. A number of missions were using the Lotus Notes-based database system to gather results-based budgeting information.

83. The Board noted the following shortcomings in relation to the portfolio of evidence:

(a) At UNIFIL, the portfolio of evidence supporting the performance report had not been validated by an independent party. Such validation by the resident auditors at the mission would enhance the credibility of the performance reports;

(b) At MONUC, there was no formal information-gathering systems in place to record, on a regular basis, actual performance based on the results-based budgeting format. If information were not gathered throughout the year, the collection of data and the compilation of the performance report at year-end would be more difficult. MONUC explained that it was committed to pursuing the gathering, monitoring and compilation of the required portfolio of evidence within the resources available, subject to the constraints of the Mission environment and the geographical size of the Democratic Republic of the Congo;

(c) At UNMIL, five instances were noted in which the reported outputs exceeded the actual outputs. UNMIL commented that it would closely monitor its data to avoid future discrepancies, circulate the biennial and annual reports to all section chiefs for verification and subsequently submit the reports to the Senior Management Group for review.

84. **The Board recommends that the Administration ensure that: (a) all performance results are properly substantiated by documented proof of output; and (b) information contained in the portfolio of evidence is certified as correct by the cost centre managers and validated on a test basis by the Office of Internal Oversight Services.**

85. At UNMIK, although the Lotus Notes system had been implemented as a tool for gathering information to support output, it was not fully operational because information had not been recorded by the various cost centre managers or focal points. The portfolio of evidence to support the performance report had also not been provided.

86. **UNMIK agreed with the Board's recommendation that it: (a) reinforce and strengthen the use of the Lotus Notes database system to ensure regular and accurate information gathering; (b) provide training on the operation of the Lotus Notes system to all cost centre managers and results-based budgeting focal points; and (c) gather information on a regular basis throughout the financial period to enable the Mission to compile a portfolio of evidence.**

87. The Department of Peacekeeping Operations commented that the Lotus Notes system had been updated with the 2007/2008 results-based budgeting framework

and that training in the operation of the system had since been provided to all cost centre managers and results-based budgeting focal points.

9. Management of cash, receivables and payables

Cash in bank and on hand

88. The Board noted that guidelines and procedures outlined under various sections of the Field Finance Procedure Guidelines on the handling of cash had not been adhered to, as indicated in table II.7.

Table II.7
Handling of cash and non-adherence to the Field Finance Procedure Guidelines

Mission	*Reference*	*Particulars*
MINURSO	Section 3.4	Five of the six petty cash custodians were not replenishing their funds at least once a month, indicating that the imprest amount might have been in excess of operational requirement.
		Three petty cash custodians at Mission headquarters were not recording petty cash transactions in the cashbook, thereby rendering accounting for the fund at any point in time difficult.
		Receipts supporting the request for fund replenishments lacked the signature of the supervisor of the petty cash custodian.
		Designation of the Military Commander of Smara, Western Sahara, a military observer, and therefore non-United Nations personnel, as petty cash custodian of the Smara team/sector. Hence, he could not be held accountable for any United Nations fund pursuant to paragraph 3.2 of ST/SGB/2005/07.
UNDOF	Section 3.4	Three of the four petty cash custodians in the General Services Section did not maintain petty cash books.
UNOMIG	Section 2.4.1	Adjustments resulting from bank reconciliations were not immediately recorded as they were taken up in the books only in subsequent months, after the reconciliation has been completed.
UNOCI	Section 5.8	Presence of a significant number of outstanding cheques in each bank account aggregating to $6.8 million.
	Annex 9, subsection 19	Of nine custodians, two had not requested any cash replenishments during the period from July 2006 to June 2007, while two others had placed requests fewer than four times over the same period. This indicates that cash was held in excess of operational requirements.

89. **The Board recommends that the above missions strictly observe guidelines and the procedures outlined under sections 2.4.1, 3.4 and 5.8 of the Field Finance Procedure Guidelines relating to the handling of cash.**

90. The Department of Field Support informed the Board that the above missions were now in compliance with the established procedures relating to controls and handling of petty cash. The Department indicated that the Finance Section had reduced the fund levels of four custodians in November 2007 and that now all of the petty cash custodians were mission staff members.

Receivables/payables

91. At MONUC, outstanding accounts receivable were not actively monitored, as required in paragraph 10 of the Field Finance Procedure Guidelines. Of the $4.22 million in receivables as at 30 June 2007, amounts totalling $0.819 million had been outstanding for more than one year. This represented a 9.65 per cent increase from the $0.747 million in 2005/06. On the other hand, outstanding accounts payable decreased by 45.26 per cent, from $3.69 million in 2005/06 to $2.02 million in 2006/07.

92. **The Board recommends that MONUC implement the necessary controls to monitor effectively the collection of outstanding receivables.**

93. The Administration informed the Board that a task force had been established within the Finance Section to monitor the collection of outstanding accounts receivable and to conduct periodic reviews of accounts payable, with special emphasis on balances older than 90 days.

94. At MINURSO, receivables from the Governments of two countries representing tax refunds amounted to $0.64 million, of which $0.15 million, or 24 per cent, had remained outstanding for more than two years while $0.23 million, or 37 per cent, had been outstanding for more than one year. The Board was informed that this matter had been brought to the attention of the competent authorities but, at the time of the audit, the position remained unchanged.

95. At UNOCI, embarkation fees, amounting to $0.422 million, collected by the Government from each passenger during troop rotations, remained uncollected, despite efforts by UNOCI to obtain payment.

96. **The Board recommends that MINURSO and UNOCI, in coordination with Headquarters, make the necessary representation to the Governments of the concerned countries for the settlement of the long-outstanding amounts due the missions.**

97. The Department of Field Support commented that, in coordination with the two missions, it had been pursuing the above matters and that one of the Governments had settled its indebtedness with MINURSO in December 2007.

10. Expendable property

98. Expendable property consists of property and equipment valued at less than $1,500 per unit at the time of purchase and with a serviceable life of less than five years. There are, however, a number of exceptions to this rule. The guidelines of the Department of Peacekeeping Operations relating to expendable property are contained in the Property Management Manual. One of the requirements is that once

expendable items are issued they are considered consumed, and hence accounting reports are not required.

99. Paragraph 5 of the United Nations system accounting standards requires observance of the principles of prudence, substance over form and materiality in the selection and application of accounting policies. In addition, paragraph 49 requires disclosure of the value of inventories (other than non-expendable equipment, furniture and motor vehicles) as an asset in the financial statements at the end of the financial period.

100. The Board noted that there was no disclosure of the value of expendable property in the financial statements, although significant amounts of such property were held at UNLB and at the various missions. For example, at the end of the period under review, there were stocks of tyres and batteries worth at least $33 million.

101. The Administration explained that it had not been its policy to disclose expendable property since this would require a reduction in expenditure at the end of the year and a corresponding credit to Member States. The latter was not possible since the funds would already have been expended. In addition, the Administration was of the view that paragraph 49 of the United Nations system accounting standards refers to inventories held for sale by organizations such as UNICEF, and was not applicable to peacekeeping operations.

102. **The Board recommends that the Administration consider disclosing in the financial statements the value of unused expendable property at the end of the financial period in order to improve transparency, accountability and financial reporting, and in preparation for the implementation of the International Public Sector Accounting Standards.**

103. As shown in note 13 to the financial statements, of the amount of $1.39 billion shown as non-expendable property, sums totalling $7.5 million relate to strategic deployment stocks at UNLB. The Administration explained that the disclosure had been based on a recommendation of the Office of Internal Oversight Services.

Stock levels

104. In its previous report, the Board had recommended the monitoring of stock levels of expendable equipment by establishing minimum and maximum stock quantities. This was particularly so in respect of UNMIL, where the Board expressed concerns regarding controls on its expendable stock valued at $56.43 million as at 30 June 2006.

105. During the current audit, the Board noted that UNMIL had not fully established the required stock levels. For example, stock levels were not set for the transport and communications and information technology warehouses. The Administration explained that UNMIL had since determined minimum and maximum stock levels for 95 per cent of its stock items and was in the process of determining the levels of the remaining 5 per cent. In addition, the Engineering Services Section conducted monthly reviews of reorder levels of approximately 10 per cent of all stock items.

106. At UNMIT, some categories of expendable property reflected substantial quantities on hand while there were other categories for which there were zero

balances. This indicates a lack of effective monitoring of stock levels. The Administration commented that appropriate stock ratios for all expendable and non-expendable assets, including a review of its existing maximum and minimum stock levels, had been undertaken following the recruitment of an international staff member in December 2007.

107. At MONUC, stock levels were not determined for spare parts, and the order alerts functionality in the Galileo database was not utilized to ensure that scheduled replenishment procedures were in place. In addition, Galileo did not generate a demand history of inventory items to support the determination of inventory levels.

108. **The Administration agreed with the Board's reiterated recommendation that it implement an effective system of inventory management, especially with regard to stock levels, lead times for the replenishment of stocks and reorder quantities.**

109. The Department of Field Support commented that it was in the process of developing guidelines to assist the missions in inventory management at warehouses and anticipated that the guidelines would be approved and circulated for implementation in the last quarter of 2008.

Physical count and inventory records

110. At the transport warehouse at UNMIS, based on sample tests carried out, several instances were noted where the description of the items in Galileo did not match those that were physically counted. Stock cards were also not updated. At the time of the audit, the newly established Property Management Section was restructuring the spare parts operation at El Obeid to facilitate periodic physical counts and the updating of the Galileo database in a timely manner. United Nations Volunteers were also being deployed to regional warehouses to assist in the management of expendable and non-expendable property, including vehicle spare parts.

111. At MINUSTAH, discrepancies were noted at the logistics base supply warehouse between the stock recorded in the logsheets and that registered in Galileo. Overages over Galileo ranged from 6 to 597 units. In addition, although the authorized staffing level was only 1,771, the inventory records showed that there were 6,974 desk trays and 14,136 ruled notebooks on hand, an indicator of significant overstocking. The Administration explained that to avoid excessive stock levels, MINUSTAH would take steps to establish appropriate stock levels at the warehouses and that purchase decisions would take this into account.

112. At MONUC, there were discrepancies between the physical quantities and those recorded in Galileo due to issuances of spare parts which had not been promptly recorded. The physical locations of some spare parts also did not match those shown in Galileo. The Mission acknowledged the deficiencies and explained that it had since initiated a Mission-wide reconciliation of its records with the physical quantities on hand. In addition, the Transport Section was creating reports using the Business Objects reporting tool, Excel and Access to generate requisitions based on actual consumption, items on order and actual stock.

113. The Administration informed the Board that the Department of Field Support, the Logistics Support Division and the Surface Transport Section were taking appropriate measures to streamline the Galileo system at UNLB. An integrated demand management system within Galileo was considered necessary since the

current system did not allow appropriate forecasting. Galileo was an asset inventory system and was not designed to handle expendable items. Therefore, a cataloguing inventory feature which would recognize an inventory item by its unique number rather than the spare parts number was required to accurately track consumption history.

114. At UNMIL, no physical inventories had been undertaken in the communications and information technology and engineering warehouses for the period ended 30 June 2007. The Mission informed the Board that a physical verification exercise had since commenced and would be completed during the first quarter of 2008.

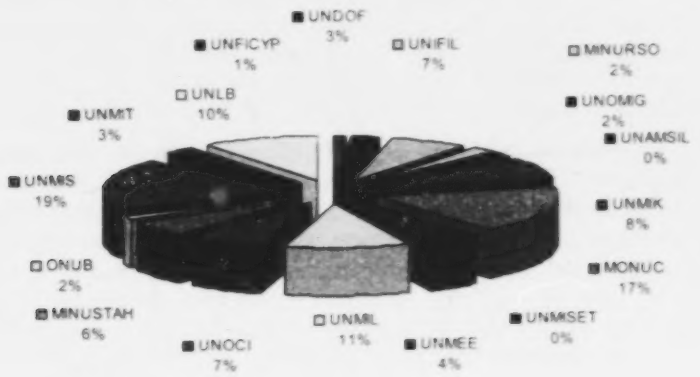
115. At MINUSTAH, although the transport store management stated that stock counts had been performed on a regular basis at the stores, there was no evidence that this had been done.

116. **The Board recommends that the above missions: (a) conduct a physical inventory of all expendable property at all locations and reconcile the discrepancies between the physical counts and the quantities recorded in the Galileo system; (b) update the Galileo system promptly whenever there are inventory movements; and (c) ensure that the locations of inventories as recorded in Galileo agree with the actual physical locations.**

11. Non-expendable property

117. Non-expendable property consists of property and equipment valued at $1,500 or more per unit at the time of purchase and with a serviceable life of five years or more. As disclosed in note 13 to the financial statements, the value of holdings of non-expendable property of peacekeeping operations as at 30 June 2007 amounted to $1.38 billion, a 13.1 per cent increase from the previous year's amount of $1.22 billion. The breakdown of these holdings is shown in figure II.5.

Figure II.5
Holdings of non-expendable property of missions as at 30 June 2007
(Millions of United States dollars)



118. The Property Management Unit, in its report on the status of non-expendable inventory surplus dated 7 February 2007, showed that the total mission holdings consisted of 399,754 items valued at $1.35 billion (see table II.8).

Table II.8
Status of non-expendable property

Status	*Quantity*	*Percentage quantity*	*Value (millions of United States dollars)*	*Percentage value*
In use	259 038	65	956.29	71
On loan	59	0	0.20	0
Pending write-off	11 744	3	35.42	3
Shipped	631	0	1.73	0
Transferred out	724	0	4.26	0
In stock	117 318	29	330.12	24
Written off	10 240	3	22.63	2
Total	**399 754**	**100**	**1 350.65**	**100**

119. The Board noted that, of the 117,318 items in stock and valued at $330.12 million, approximately one third had been in stock for 12 months or more. In particular, of the $102.4 million worth of items in stock at UNMIS, $50.7 million, consisting of 13,120 items, had not been utilized for 12 months or longer. A similar situation existed at UNMEE in respect of items valued at $4.5 million.

120. The Department of Field Support clarified that the accumulated stock of non-expendable property at UNMEE had been acquired at a time when it was foreseen that the Mission would continue for the foreseeable future. However, the Mission had been in a draw-down exercise for a number of years and was constrained in the disposal of some of the non-expendable property items because their sale was not approved by the Government. As an alternative, the Mission was considering the transfer of some items to other missions or to UNLB.

121. At UNOCI, non-expendable property increased from 16.8 per cent as at 15 September 2006 to 22.73 per cent as at 15 September 2007, thus exceeding the 10 per cent level set in the guidelines to missions, dated July 2006. The increase was attributable to preparations for the national elections, coupled with the receipt of 1,315 items of redundant non-expendable property from other missions.

122. In response to a report of the Office of Internal Oversight Services (AH2005/513/03), the Logistics Support Division had developed and circulated guidelines on stock ratios, primarily for the purpose of identifying surplus assets in the Galileo system. Based on the generic ratios, the system identified at least 3,892 items as surplus, as shown in table II.9.

Table II.9
Surplus assets in stock

Mission	*Top condition almost new*	*New/ almost new*	*Good*	*Fair/ used*	*Service-able or repairable*	*Bad*	*Selected for United Nations reserve*	*Other*	*Total*
MINURSO				4		2			6
MONUC	13	19	330	208	19	9			598
ONUB		69	1 098	55	462			1	1 685
ONUCI							25		25
UNAMA	1		87		22	1			111
UNDOF				4		3			7
UNIFIL			20	1	2			1	24
UNLB						1			1
UNMEE	78		1	3					82
UNMIK	150		210	90	278	52			780
UNMIL		172	222	1	60	2			457
UNOMIG		19	44		23				86
UNTSO			30						30
	242	**279**	**2 042**	**366**	**866**	**70**	**25**	**2**	**3 892**

123. **The Board recommends that the Administration expedite the review of non-expendable property at all missions to ascertain the realistic quantities that should be held and take appropriate measures to redeploy surplus assets to other missions in need of them or to UNLB, or to dispose of them.**

124. The Department of Field Support explained that it was committed to presenting the above results for review by the Galileo Change Management Board and to continuously monitoring the incidence of surplus assets at field missions. In addition, the Department had issued guidelines in July 2006 to all missions to develop stock ratios for the management of non-expendable property. This was supplemented with a directive on property control and accountability issued in January 2008, which spelled out the actions to be taken in regard to surplus assets.

Write-offs and disposal

125. In accordance with financial rules 105.20 and 105.21, the Headquarters Property Survey Board and a Local Property Survey Board at every mission fielded by the Department of Peacekeeping Operations have been established. Both boards function similarly, depending on the delegation or the limits of their authority. The Under-Secretary-General for Management establishes the composition and the terms of reference of the boards, which include determining: (a) the cause of a loss, damage or discrepancy; (b) the required disposal actions; and (c) the degree of responsibility, if any, attached to any official of the United Nations or other party for such loss, damage or discrepancy.

126. In its previous report, the Board had noted that the Headquarters Property Survey Board had a backlog of at least 400 cases and had recommended that the

Administration expedite the approval of write-offs and disposals of non-expendable property that met the criteria for such action.

127. The Administration commented that the implementation of the recommendation was in progress and indicated that, during 2007, nine missions had met the target of writing off assets that were pending at the end of 2006. In an effort to further enhance the speedy write-off and disposal process, the Department of Peacekeeping Operations had written to the Controller requesting permission for an increase in the mission level threshold. This would empower missions to write off more assets locally, resulting in a decrease in the number of cases referred to United Nations Headquarters. At the time of reporting, the Controller was reviewing the request.

128. During the current audit, the Board had noted that the Local Property Survey Board and the Headquarters Property Survey Board had not acted promptly on some cases brought to their attention. Those delays would result in additional storage costs, a decline in value due to exposure to the elements as well as obsolescence, and a risk of loss due to theft. These are detailed below:

(a) At MINURSO, the Local Property Survey Board was able to render decisions on only 41 cases for the period from 1 July 2006 to 30 June 2007. As at 30 June 2007, 1,341 items of property recommended for write-off were pending with the Board;

(b) At UNMIS, the Local Property Survey Board had not met regularly to decide on the disposal of various items of property valued at $0.52 million;

(c) At UNIFIL, the inventory report at the end of the financial year disclosed that 613 items of non-expendable property worth $2.12 million were still pending write-off. Of this total, 388 items amounting to $1.10 million, or 52 per cent, had been approved for write-off but were pending disposal. The Supervisor of the Claims Unit stated that of the remaining 225 items of non-expendable property pending approval for write-off, 13 items valued at $0.48 million were pending with the Headquarters Property Survey Board;

(d) At UNMIK as at 12 July 2007, 33 cases for the write-off of items valued at $1.15 million were awaiting approval by the Headquarters Property Survey Board, while at UNOCI, of the 56 cases of vehicles pending write-off, 24 had been the subject of action by the Local Property Survey Board since 2005.

129. **The Board reiterates its previous recommendation that the Department of Field Support and the Department of Management, respectively, ensure that the Local Property Survey Board and the Headquarters Property Survey Board expedite all cases that are brought to their attention, particularly in regard to assets that are pending write-off.**

130. The Administration commented that during the last quarter of 2007, a substantial volume of resources had been applied to the work of the Headquarters Committee on Contracts on Darfur-related matters, resulting in a delay in liquidating the backlog of cases before the Headquarters Property Survey Board. The number of members and chairs of the Board had since been increased, and it was expected that the backlog of cases would be cleared by July 2008. The Department of Field Support issued a directive in January 2008 reminding missions

to ensure that the Local Property Survey Board meet on a regular basis in order to avoid unnecessary backlogs.

131. At UNDOF, a review of 52 reports referred to the Local Property Survey Board during the financial year showed that category A cases included expendable property which had an inventory value of less than $1,500 and which therefore should have been classified under category AW. Although the Local Property Survey Board had been able to review the cases expeditiously, the Board of Auditors expresses its concern that such a practice puts to risk the control mechanism for write-offs, since classifying assets under category AW gives authority to the Head of Mission to make a final decision on the write-off without review by the Local Property Survey Board.

132. **The Board recommends that UNDOF strictly classify cases for write-off according to the category stipulated.**

133. The Department of Field Support commented that, in principle, it concurred with the recommendation but stated that with the implementation of the Galileo write-off disposal module, all cases for write-off were recorded in that system. The system's set-up did not allow for wrong classification, thus eliminating errors in the reports that it generated.

134. At MONUC, delays were noted in the disposal process, ranging from 122 days (4 months) to 1,344 days (45 months) from the dates of approval of write-offs to the dates of the actual disposal. Similarly, at UNMIL, 752 items valued at $0.93 million had been pending disposal for more than six months.

135. **The Board recommends that MONUC and UNMIL identify the causes for the delays in the disposal of non-expendable property and take appropriate measures to expedite such disposal.**

136. The Department of Field Support commented that the delays experienced at MONUC related mainly to vehicle disposal and were due to the difficulties encountered in identifying a suitable contractor for the disposal of scrap metal in the country. On the other hand, UNMIL had recently recruited an asset disposal assistant to augment the work of the Asset Disposal Unit, and destruction exercises had since been completed for 222 monitors and 192 computer notebooks. The remaining obsolete items were to be disposed of appropriately.

Physical verification and recording

137. The Administration had agreed with the Board's recommendation in its previous report that it ensure the proper custody, control, recording and disposal of non-expendable property. The Administration indicated that the Property Management Manual, containing detailed guidance on the management of property, had been issued and copies circulated to all missions on 8 January 2007.

138. The Board noted instances at various missions in which recording had not been done in accordance with paragraphs 5.30 and 5.31 of the Property Management Manual, which require the reconciliation of property records with the information derived from physical verification. These instances were as follows:

(a) At UNMIL, of the 42,173 items of non-expendable assets, 7,781 (18.45 per cent) valued at $32.28 million had not been physically verified during 2006/07. Verification with Galileo had also revealed that the locations of several

assets were not correctly reflected in the system. Furthermore, while the system showed that some assets were in stock, physical verification had disclosed that they were faulty and therefore could not be used;

(b) At UNMIK, the Property Control and Inventory Unit could not locate 481 items of non-expendable property valued at $1.01 million. In addition, no verification was conducted of 2,570 items of non-expendable equipment valued at $4.35 million;

(c) At MINUSTAH, there was an increase in the number of items of non-expendable property pending follow-up to determine whether they were in stock, in use or in locations other than those recorded in Galileo. This was an indication that physical verifications and reconciliation with the records had not been undertaken on a regular basis;

(d) At UNMIT, data on non-expendable property generated from the Galileo inventory system were not reliable owing to numerous technical faults in the bandwidth and software system which had not become fully functional until January 2007. In addition, only 730 of the 13,829 items of non-expendable property, or 5.28 per cent, had been physically verified;

(e) At UNFICYP, the description of items in the database did not match the actual description of assets in each inventory, while the physical existence of 1,061 items had yet to be established;

(f) At MONUC, the report of the Property Control and Inventory Unit indicated that 818 items in use, valued at $4.85 million, could not be verified, while 512 items pending write-off, valued at $0.62 million, could not be found;

(g) At UNOCI, 1,766 items of non-expendable property could not be located when a comparison was made between the physical count and the inventory records.

139. **The Board reiterates its previous recommendations that the Administration ensure that: (a) periodic physical verifications of non-expendable property at the various missions are carried out; (b) discrepancies are promptly investigated; and (c) corrective action is taken to avoid a recurrence.**

140. The Department of Field Support commented that: (a) UNMIL had developed key performance indicators and goals to facilitate monitoring of the monthly inspections carried out by the Property Control and Inventory Unit; (b) UNMIK had intensified its search for items that could not be located at the time of the audit; (c) the discrepancies at MINUSTAH had arisen from the large volume of strategic deployment stocks arriving during the Mission's start-up phase but a formal process for clearing the discrepancies has since been put in place; (d) a physical count of assets was under way at UNMIT and was scheduled to be completed during the second quarter of 2008; and (e) UNFYCIP had since issued an information circular stressing the requirements for proper recording of the movement or relocation of assets. The Department also indicated that it had since issued a directive requesting all missions to ensure that inventory checks are carried out and discrepancies are closely monitored.

12. Strategic deployment stocks

141. Strategic deployment stocks are material reserves intended to meet operational requirements for supporting the deployment of peacekeeping missions. In general, such stocks should consist of equipment that is new and has full service-life expectancy. To ensure that the stocks stored at UNLB are current and serviceable, the items are immediately transported to missions as and when needed. The receiving mission is to pay the replenishment cost of the stocks.

142. Table II.10 shows the movement of strategic deployment stocks during the financial period ended 30 June 2007.

Table II.10
Movement of strategic deployment stocks, 2006/07
(Thousands of United States dollars)

Opening balance	88 243
Purchases	34 688
Received from other missions	7
Transfers	(34 014)
Written off and sold	(47)
Adjustments	26
Closing balance	88 903

Rotation

143. It was noted that no mechanism was in place to identify when items could no longer be used. As a result, at the time of the audit, 5,348 items from the engineering and transport sections were about to become obsolete. There was need therefore to rotate the use of the items to minimize risk of wastage. UNLB indicated that it continued to enforce the first-in-first-out issuance of items and to monitor the ageing of the inventory.

144. **The Board recommends that the Administration enhance its existing Galileo inventory management system by instituting a trigger mechanism that would indicate when a strategic deployment stock item was about to become obsolete.**

145. The Department of Field Support commented that enhancements to the Galileo strategic deployment stock replenishment module, which would incorporate the recommended functionality, were being developed and would be fully active by June 2009.

Strategic deployment stock inventory (vehicles)

146. The Board noted that the inventory of light and armoured vehicles represented 52 per cent (366 units available for issue over the 698 required) and 36 per cent (14 units available for issue over the 39 required) of the target composition of strategic deployment stocks.

147. The Administration commented that the policy directive for strategic deployment stocks, dated 27 January 2007, stipulated the establishment of maximum stock levels at 100 per cent of the requirements of one complex mission

and one additional flyaway kit for deployment of the nucleus of a subsequent mission. The minimum stock level was specified as one flyaway kit. The Logistics Support Division reviewed and approved the composition of strategic deployment stocks in April 2007 and continuously monitored the stock levels to ensure that operational capability was retained at all times.

148. The inventory of light vehicles as at 16 November 2007 showed the authorized composition of 700 units (see Table II.11).

Table II.11
Inventory of light vehicles

Particulars	*Quantity (units)*
In stock	321
Under replenishment	224
Vehicles ready for shipment	25
To be replenished	130
Total	**700**

149. As can be noted, there was a shortfall of 130 vehicles. The Administration indicated that those vehicles would be replenished with the funds from the second rollover of $4 million to the financial year 2007/08, which was awaiting approval by the Controller. In the future, the Surface Transport Section and the Strategic Deployment Stocks Unit would benefit from a shared database (under development) which tracked electronically the status of equipment to ensure that the authorized composition was maintained. The Administration stated that, based on the experience and feedback from missions, the authorized level of armoured vehicles had been reduced from 39 to 14 in the revised composition of strategic deployment stocks for 2007.

13. Contingent-owned equipment

150. Peacekeeping logistic requirements, such as troops and equipment, are provided by Member States. Management of contingent-owned equipment comprises the determination of such requirements, the negotiation process to define the obligations of the parties as set out in the memorandum of understanding, the verification process to ensure that the equipment is suited to mission requirements and is in a sound operating condition, and reimbursement to contributing countries.

Operational readiness

151. United Nations verification and control procedures are intended to ensure that the terms of the memorandums of understanding between the United Nations and the contributors of troops and police are met by both parties at the outset and throughout the period agreed in the memorandums. Major equipment and self-sustainment standards are defined to ensure effective operational capability.

152. At UNOCI, the operational availability of deployed equipment was computed at an average 89 per cent. The shortfall was attributable to the non-deployment of

some items of equipment indicated in the memorandum of understanding and their replacement with similar items, but of a lower operational capacity.

153. **The Board recommends that the Administration ensure that troop-contributing countries adhere as far as possible to the requirements of the memorandums of understanding relating to the quality and standard of the equipment provided.**

154. The Department of Field Support commented that additional measures had since been put in place to ensure compliance with memorandums of understanding. These included regular briefings on contingent-owned equipment and predeployment visits to troop-contributing countries. The Department also stated that the Administration could not guarantee that a Member State strictly adhered to the requirements of the memorandum of understanding and that reimbursements were made based on the physical verification of contingent-owned equipment.

155. At UNOMIG, both verification and periodic operational readiness reports were not signed by the contingent representative as required by the Contingent-owned Equipment Manual, while UNDOF did not periodically carry out operational readiness inspections.

156. At UNMIS, the Board's verification of the quarterly inspection reports, particularly in regard to the major equipment and self-sustainment items of troop-contributing countries for the period from 1 July 2006 to 31 March 2007, revealed that no dates of inspection had been indicated in the reports. Also, the Board noted that the reports for the quarter from April to June 2007 had not yet been submitted as at 27 August 2007, while the reports on the infantry battalion's major equipment and self-sustainment had been prepared only up to 31 May 2007. The Board was informed that the inspections for the quarter April to June 2007 were ongoing and that the reports had yet to be finalized, and that the delays in carrying out quarterly inspections of contingent-owned equipment would affect reimbursements to troop-contributing countries.

157. **The Board recommends that the Department of Field Support ensure that UNOMIG, UNDOF and UNMIS: (a) conduct quarterly inspections of contingent-owned equipment in a timely manner so as to facilitate reimbursements to troop-contributing countries; and (b) require that all inspection reports at all times be signed by the duly designated contingent representatives.**

158. The Department of Field Support commented that in respect of UNMIS, quarterly inspections had since been undertaken in a timely manner and the Mission management would ensure that the required verification reports were prepared and submitted to Headquarters in compliance with established procedures. It had also reminded all missions of their obligation to conduct quarterly inspections and to comply with the requirements of signing and dating all inspections reports.

14. Vehicle fleet management

159. The effectiveness of peacekeeping operations is to a large extent dependant on mobility and effective vehicle fleet management is therefore a prerequisite. An important consideration relates to the quantity, quality, condition and types of vehicles available in relation to the condition of the roads and the types of terrain in the mission's operational area. Other factors include the driving ability of the users,

vehicle maintenance, the availability of spare parts, the quality of the mechanics and the availability of workshops.

Replacement

160. As set out in the Standard Cost and Ratio Manual of the Department of Peacekeeping Operations, vehicles may be considered for replacement if they are six to seven years old or if the total distance travelled by the vehicle reaches 140,000 to 180,000 kilometres. In its previous report, the Board had noted that at certain missions, the aforementioned criteria had not been met for the replacement of vehicles and it had recommended that the Department of Peacekeeping Operations monitor maintenance costs, especially for older vehicles with high mileage, when considering replacements.

161. The Administration commented that the replacement criteria were minimum requirements and did not preclude the exercise of judgement based on individual circumstances. It stated that the Department of Peacekeeping Operations, in conjunction with the missions, was working towards replacing vehicles through the usual budget and acquisition process. Missions monitored the cost of maintaining and repairing vehicles through work order processing and subsequently assessed the remaining useful life expectancy of the vehicles in considering whether or not they should be replaced.

Vehicle ratios

162. At UNOCI, UNMIK and UNMIL, the ratio of vehicles to the staff complement did not conform to the standard ratios established under the Standard Cost and Ratio Manual. These ratios vary from one, in the case of Special Representatives of the Secretary-General, to 4.5 for international staff in the administrative sections. As at 30 June 2007, the Board noted that there were 301 vehicles in excess of requirements at UNMIK, while at UNOCI and UNMIL, actual ratios were below the standard ratios, indicating possible excess vehicles over requirements.

163. The Department of Field Support commented that the current critical status of UNMIK was such that operational effectiveness must take precedence over adherence to the standard ratios. The Department stated that in respect of UNMIL and UNOCI, staff members were deployed to various parts of the two countries and there was a requirement to travel between distant locations to perform duties. Also, in view of the exceptionally poor road conditions, especially in Liberia, there was a need to vary the application of the ratios.

CarLog system

164. In its previous report, the Board had noted deficiencies in the CarLog units attached to the missions' vehicles. Such deficiencies still persisted in the current audit of UNMIL and UNMIK, where the number of litres of fuel recorded in the CarLog system were more than the tank capacities of the vehicles. In addition, at UNMIL, inactive vehicles, as evident by the lack of distance travelled, were shown as having been refuelled during the period that they remained inactive.

165. **The Board reiterates its previous recommendation that the Administration investigate the causes of the discrepancies and errors in reports generated by CarLog and implement measures to rectify them.**

166. The Administration commented that UNMIL had carried out a thorough review of the process of accounting for fuel issued to its vehicles and noted that the cases referred to by the Board had resulted from errors in updating the information in the CarLog system to include the quantities of fuel issued to the four vehicles. The Administration stated that the Mission had since put in place a monthly monitoring system to ensure that errors in the CarLog system were promptly determined and corrected in a timely manner.

167. In respect of UNMIK, the Department of Field Support stated that most of the discrepancies were due to the inadequate infrastructure supporting the system and a lack of coordination between the Communications and Information Technology Service and the Transport Section. The Department also stated that UNMIK had since designed and implemented a new integrated software system (CERES) which would manage CarLog and FuelLog. That new system would be fully functional by November 2007.

Fuel management

168. The Fuel Operations Manual of the Department of Peacekeeping Operations considers fuel a commodity of high monetary value. Fuel represents a very large annual expenditure within the peacekeeping missions. As a lucrative commodity, the scope for misappropriation of fuel is considerable. It is therefore essential that the technical and safety aspects of fuel management be addressed, but of equal importance is the implementation of rigorous and consistent budgetary and monitoring procedures, coupled with a system of checks that is designed to identify and prevent fraud.

169. In the previous report for 2004/05, the Board had recommended that the Department of Peacekeeping Operations implement the mission electronic fuel accounting system in order to improve the monitoring of fuel consumption at peacekeeping missions and to detect fuel mismanagement and fraud. The Department informed the Board that the system had been implemented at six missions — UNMIL, ONUB, UNOCI, MONUC, UNMIS and UNIFIL — and that a fuel management system would be developed for application at all the missions.

170. In the current audit, the Board noted that the mission electronic fuel accounting system had not been fully implemented at UNIFIL. The briefing on the use of the system had been concluded in June 2007 and the initial implementation done in July 2007 in 3 of the 19 main contingent fuel locations of UNIFIL. On the other hand, the existing turnkey contract of UNOCI with its fuel supplier had prevented the use of the system, although the data generated from its current fuel accounting systems (database and CarLog) were not reliable.

171. **The Board recommends that the Administration take measures to: (a) implement the mission electronic fuel accounting system in full at all UNIFIL stations to enhance controls over fuel consumption; and (b) improve the reliability of the fuel consumption records of UNOCI.**

172. The Department of Field Support commented that at UNIFIL, the system had since been implemented at 10 of 19 locations, while at UNOCI the electronic software had since been acquired and would be installed during the 2007/08 financial period.

Receipt and inspection

173. At UNMIT, bulk deliveries of petroleum products from two suppliers were neither inspected nor the corresponding receipt and inspection reports prepared at the time of delivery, as required by the Procurement Manual. The receipt and inspection reports were subsequently prepared from invoices.

174. **The Board recommends that UNMIT ensure strict compliance with the Procurement Manual in relation to the receipt and inspection of petroleum products.**

175. The Administration commented that the staffing level had improved in November 2007, receipt and inspection activities had since resumed and the related reports were being prepared at the time of delivery.

Issuances

176. At UNFICYP, a comparison of the entries in the trip tickets against the fuel receipts for August and September 2006 for sectors 1, 2 and 4 revealed that 449 litres of diesel had been withdrawn with fuel receipts but had not been reported in the trip tickets. Similarly, fuel consumption of 10,479 litres of diesel and 819 litres of unleaded petrol had been reflected in the trip tickets but were not supported with the corresponding fuel receipts. In addition, despite the existence of CarLog devices and the maintenance of fuel cards by the operators for the period from October to December 2006, differences of 2,641 litres of diesel consumed and 66,896 kilometres on distance travelled were noted between the fuel and mileage reports of the Transport Unit and the supporting trip tickets and speedometer readings.

177. At UNMIT, there was no evidence of reconciliation of the receipt and issuance of fuel with the records of the suppliers. In addition, periodic physical inventories of fuel had not been undertaken and no regular inspections of the suppliers' facilities had been carried out.

178. **The Board recommends that the Administration take appropriate measures to improve accountability for fuel consumption at UNFICYP and UNMIT.**

179. The Department of Field Support commented that UNFICYP would be instructed to review its fuel reports and take action on identified discrepancies, and that the Mission has advised that it would continue to make every effort to strengthen the fuel management system. In addition, UNMIT had since introduced adequate controls over the movement of fuel.

15. Procurement and contract management

180. Goods and services are procured to support peacekeeping operations. Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. Procurement actions include identifying a need, specifying the requirements to fulfil the needs, identifying potential suppliers, soliciting bids and proposals, evaluating bids and proposals, awarding contracts and purchase orders, tracking progress and ensuring suppliers' compliance, accepting and inspecting delivery, paying the suppliers and managing the assets procured or service contracted.

Systems contracts

181. Systems contracts are used for the products and services required on a recurring basis and for an extended period of time, usually not to exceed five years. Such an arrangement allows the requisitioner to draw the required products and services on a when and as required basis, without soliciting bids each time, and significantly reduces the duration of the procurement cycle.

182. During the period from 1 July 2006 to 30 June 2007, there were 202 active systems contracts for peacekeeping operations, with the not-to-exceed amount aggregating to $2.91 billion. Table II.12 shows the active system contracts per country.

Table II.12
Value of active systems contracts

(Thousands of United States dollars)

Country	*Geographical location*	*Not-to-exceed amount*	*Percentage*
Australia	Oceania	17 038	0.58
Austria	Western Europe	26 198	0.90
Canada	North America	141 016	4.85
China	Asia and Pacific	38 381	1.32
Cyprus	Asia and Pacific	59 148	2.03
Czech Republic	Eastern Europe	29 065	1.00
Denmark	Northern Europe	53 545	1.84
Egypt	Africa	1 866	0.06
Finland	Northern Europe	6 333	0.22
France	Western Europe	237 199	8.16
Germany	Western Europe	70 576	2.43
Hungary	Eastern Europe	67	0.01
India	Asia and Pacific	32 095	1.10
Ireland	Northern Europe	1 111	0.04
Israel	Asia and Pacific	31 632	1.09
Italy	Southern Europe	250 504	8.62
Japan	Asia and Pacific	217 370	7.47
Kenya	Africa	1 280	0.04
Lebanon	Asia and Pacific	360	0.01
Monaco	Western Europe	187 091	6.43
Namibia	Africa	7 482	0.25
Netherlands	Northern Europe	24 226	0.83
New Zealand	Oceania	14 158	0.49
Norway	Northern Europe	27 776	0.95
Republic of Korea	Asia and Pacific	15 496	0.53
Slovenia	Eastern Europe	241	0.01
South Africa	Africa	29 423	1.01

Country	*Geographical location*	*Not-to-exceed amount*	*Percentage*
Spain	Southern Europe	5 434	0.19
Sudan	Africa	103 667	3.56
Sweden	Northern Europe	2 719	0.09
Switzerland	Western Europe	6 688	0.23
Turkey	Asia and Pacific	4 214	0.14
United Arab Emirates	Asia and Pacific	391 281	13.46
United Kingdom	Northern Europe	222 241	7.64
United States	North America	652 019	22.42
Total		**2 908 940**	**100.0**

Procurement lead time

183. Goods and services not delivered on time may result in the delayed delivery of mission mandates and could pose threats to life and property. The following observations were made in relation to the lead times between the approval of requisitions and the issuance of the related purchase orders:

(a) At UNOCI, 497 purchase orders had been issued after 90 days of the approval of the related requisitions, 224 of which had been issued between 120 and 180 days after the date of approval while 156 had been issued between 181 and 270 days after;

(b) At UNMIL, 4 purchase orders had been issued between 91 and 194 days after the approval of the related requisitions, while at MONUC, 246 purchase orders had been issued between 91 and 360 days after approval.

184. **The Board recommends that the Administration, in conjunction with UNOCI, UNMIL and MONUC, identify the causes for delays in the issuance of purchase orders and adopt measures to ensure that all purchase orders are issued within a reasonable time after the approval of the related requisitions.**

185. The Department of Field Support commented that MONUC was in the process of recruiting a staff member experienced in information technology to assist in creating systems and reports that would require continual monitoring of compliance within established procurement timelines. This would enable management to establish baselines, obtain separate timeline reports and perform statistical modelling to identify anomalies.

186. In relation to UNMIL, the Department of Field Support commented that the delays in the cases cited were largely due to unforeseen circumstances arising from either unsuccessful solicitations or failed delivery and that the mission monitors its procurement lead times through the weekly expediting and tracking sheet.

187. The Department of Field Support further stated that UNOCI had since identified factors contributing to the delays in the issuance of purchase orders and had organized a training workshop in January 2008 for procurement staff, requisitioners and members of the Local Committee on Contracts.

Contracts and letters of intent

188. At MINUSTAH, the Procurement Section had agreed to execute a contract for the supply of aviation fuel by 30 June 2007. However, this was not done. As a result, the existing contract was extended from 1 July to 31 December 2007 or until such time as the new contract was executed.

189. The Department of Field Support informed the Board that the Procurement Service had been engaged in direct negotiations with the sole aviation fuel provider. However, owing to the lack of a competitor, the negotiations, which included the provision of an agreed price structure, had taken longer than anticipated. The Procurement Service had since concluded the negotiations and was in the process of presenting the case to the Headquarters Committee on Contracts for review.

190. Also at MINUSTAH, at the time of the audit in August 2007, a contract for the provision of ground fuel had not been entered into since the expiry of the previous contract in April 2007. The records of the Local Committee on Contracts indicated that the arrangement with the vendor had been extended from 1 May to 31 December 2007.

191. The Administration commented that the fuel requirements of MINUSTAH were part of the global bidding currently in progress and that the Procurement Service was in the process of finalizing a flash bid for ground fuel. The results of the bid would be presented to the Headquarters Committee on Contracts for review, following which the Procurement Service would establish a contract.

192. **The Board recommends that MINUSTAH, in collaboration with the Procurement Service, expedite the finalization of contracts in relation to the supply of fuel.**

193. The Administration commented that the Office of Legal Affairs and the Legal Section of MINUSTAH were engaged in preparing the draft contract for aviation fuel. In respect of ground fuel, the Procurement Service was in the process of preparing presentations to the Headquarters Committee on Contracts and a short-term contract was being considered as an interim arrangement.

Delegation of authority

194. At UNMEE, the Procurement Assistant, whose delegated authority in the absence of the Chief Procurement Officer was only for amounts of $7,500 or less, had approved the amended contracts for the rental of warehouses in the sum of $0.81 million, as well as a contract for the lease of land in the sum of $0.41 million.

195. **The Administration agreed with the Board's recommendation that UNMEE strictly adhere to the requirements of the Procurement Manual in regard to the delegation of authority.**

196. The Department of Field Support commented that the two contracts had since been retrospectively approved and appropriate measures implemented to ensure full compliance with established procedures.

197. In accordance with the United Nations general conditions of contract, a contractor is required to effect insurance coverage for the property and equipment to be used in the execution of the contract. However, at UNFICYP, two instances were noted in which copies of insurance contracts had not been not provided. UNFICYP

commented that insurance documents were only requested on a per need basis. The Board is, however, of the view that there should be documentary evidence of insurance coverage by contractors in order to protect the Organization from possible liability.

198. **The Administration agreed with the Board's recommendation that UNFICYP ensure that copies of insurance policies covering the property and equipment used by contractors are obtained and filed with the related contracts.**

Vendor performance and liquidated damages

199. In its previous report, the Board had expressed concerns about the absence of performance bonds from contractors. The Administration had indicated in its response that the relevant section of the Procurement Manual would be revised in 2007 to provide detailed guidance on the matter.

200. At MONUC, performance bonds had not been obtained in eight cases reviewed. In addition, the Mission was considering legal action to recover an advance payment amounting to $0.939 million, since the performance bond executed had been for an amount of $0.278 million and had expired in December 2005.

201. At MINUSTAH, owing to the absence of competition, a vendor's contract had been extended despite unsatisfactory performance, while at UNIFIL there had been delays ranging from 11 to 67 days in the execution of 15 contracts. However, the requirement for liquidated damages had not been enforced.

202. At MINURSO, two contracts valued at $369,142 did not provide for liquidated damages, while one contract did not have a performance bond although the value of the contract exceeded $100,000.

203. **The Board recommends that the Administration ensure that, when executing contracts, all missions adhere strictly to the requirements of the Procurement Manual in respect of performance bonds and liquidated damages.**

204. The Department of Field Support commented that the decision to require a performance bond should be based on factors such as the contractor's reputation and experience, and the cost of the bond should be weighted against the perceived potential risk to the Organization should the contractor fail to execute the contract satisfactorily. It was, nevertheless, committed to continuously reviewing individual cases and incorporated a liquidated damages clause into contracts with time-sensitive requirements.

205. In respect of MONUC, the Department of Field Support stated that the Mission would include a clause on performance bond in all new service contracts when the re-bidding of major contracts commenced in 2008. The Mission would also keep details on the performance bonds in a register to facilitate their effective monitoring. The Department indicated that it might not be prudent to attempt renegotiating existing contracts that did not have performance bonds at the present stage, and that it would follow up with MONUC to determine the status of the recovery of the advance payment.

Vendor performance reports

206. In its previous report, the Board had recommended that the Department monitor the submission of vendor performance evaluation to the Procurement Service. The Administration had indicated that the Web portal through which missions provide their evaluation reports was fully operational.

207. During the current audit, the Board noted a number of deficiencies in relation to the completion of vendor performance reports, as follows:

(a) At UNMIS, performance reports had been completed on the six vendors sampled, although the records indicated that deliveries had yet to be done, thereby rendering such reports unreliable;

(b) At UNIFIL, 10 instances were noted in which the performance of vendors had not been evaluated on a regular basis;

(c) At UNLB, based on sample tests carried out, performance ratings of vendors had been limited to: (a) goods and services over $50,000; (b) shipments; (c) training courses; (d) engineering projects, and (e) the period prior to the renewal or extension of the existing contract. The Procurement Manual, however, requires that the performance of all contractors, without exception, be evaluated to determine their ability to comply satisfactorily with future contractual obligations;

(d) At UNFICYP, no regular monitoring of the performance of six local vendors with multiple contracts had been indicated in the database. The fields in the database pertaining to rating, bank details, type of business and miscellaneous data had also not been completed.

208. **The Board recommends that the Administration take steps to ensure that all missions strictly comply with the requirements of the Procurement Manual dealing with the evaluation of vendor performance.**

209. The Department of Field Support commented that UNMIS and UNFICYP would monitor compliance with established procedures in relation to vendor performance ratings, while UNLB would be reminded to enforce vendor performance evaluations.

210. At UNMIK, the Board had previously recommended that the Administration develop guidelines for the registration of local vendors in consultation with the Mission. However, a review of 29 suppliers in the roster indicated that this had not been done.

211. **The Board reiterates its previous recommendation that the Administration expedite the issuance of guidelines for the registration of local vendors, in consultation with the missions.**

212. Vendor databases must be reviewed and updated periodically to ensure that the Organization is in receipt of the most recent financial and economic information on vendors. At UNIFIL, however, based on a review of the files of 10 vendors, this had not been done. In addition, there was an accumulation of temporary vendors in the database since they remained in the system beyond the three-month time frame.

213. At UNOCI, vendor data were not entered in the Mercury database until after the invoices had been processed at the Finance Unit. In addition, for the period under review, 2,152 vendors with temporary status were entered into the system.

This migration to full vendor status was due to a lack of action on the matter by the local board.

214. **The Administration agreed with the Board's recommendation that the management of UNIFIL take the necessary measures to ensure that the vendor database is periodically updated.**

215. **The Board also recommends that the management of both UNIFIL and UNOCI ensure strict compliance with the requirement relating to temporary vendors.**

216. The Department of Field Support commented that UNIFIL had since circulated re-registration letters to all vendors registered in its database prior to 31 December 2004. UNOCI was also in the process of reviewing the roster of temporary vendors to ensure that only those which met the criteria would be maintained in its database.

Procurement staff and filing system

217. At MONUC, the vacancy rate in the Procurement Section was 27 per cent of the authorized strength as at 30 June 2007, compared to 18 per cent as at 30 June 2006. It was noted that inadequate staffing would compromise the Mission's capability to receive cost-effective and timely supply of goods and services. It was also noted that staff members had not been periodically rotated in order to prevent possible collusion with vendors. Some staff members had remained in the same position for more than seven years. In addition, the required filing system and retention policy regarding supporting documentation had not been observed. Ten recruitment files had also not been presented for audit.

218. **The Board recommends that the management of MONUC take measures to: (a) fill all vacant posts in the Procurement Section; (b) implement a rotation plan for all procurement staff; and (c) improve the documentation and filing system.**

219. The Department of Field Support commented that the Mission was in the process of filling all the vacant positions. In addition, MONUC had conducted a risk assessment that indicated the need to rotate procurement staff after four years and the Department envisaged the transfer of staff from other missions to fulfil that requirement.

220. At UNMIL, the procurement system (Mercury) reflected all purchase orders, together with the most recent purchase order amendment dates. The historical data that would enable extracts to be used as management tools were not available on the reporting system.

221. The Department of Field Support commented that UNMIL had submitted a request for the enhancements to the Mercury system in November 2007 to the UNLB Help Desk, which was responsible for processing software enhancements to the system. The Help Desk had since submitted its proposals to the Mercury Change Management Board for review and approval.

222. At UNOCI, the position of head of the Procurement Unit had been vacant since November 2006. The continued delay in the filling of this vacancy is likely to have an adverse effect on the quality of the procurement services rendered to the Mission. The Department of Field Support commented that this position had since been filled with effect from 4 January 2008.

Review by the Headquarters Committee on Contracts

223. In its previous report, the Board had recommended that the Administration monitor ex post facto submission to the Headquarters Committee on Contracts by MINUSTAH and UNOCI to ensure adequate justification and accountability for delays.

224. During the current audit, the Board noted that at MINUSTAH, five cases submitted to the Procurement Service for review and subsequent submission to the Headquarters Committee on Contracts, had remained outstanding for an average of 852 days.

225. The Administration commented that MINUSTAH had implemented procedures for monitoring ex post facto cases submitted to Headquarters and had been following up regularly on all pending cases with a view to regularizing them as soon as possible. In addition, of the five listed cases, four had since been reviewed by the Headquarters Committee on Contracts.

16. Rations management

226. The effective management of rations ensures that United Nations peacekeepers receive sufficient rations of an appropriate quality for three meals per day. This includes planning, organizing and controlling the operations from initial requisition to final payment to suppliers, as well as accurate and reliable record keeping and filing.

227. For the period under review, 11 active rations system contracts were in place, involving two contractors. However, at the time of the audit in October 2007, four contracts relating to one supplier remained unsigned.

228. In its previous reports, the Board had noted various issues in the management of rations that needed to be addressed. The Administration had indicated that it had developed a number of initiatives to ensure the proper management of rations, including a rations management system which was to have been implemented in June 2006. This would have allowed for better and timely oversight of the rations supply chain, tracking contingent and contractor stocks, and identifying and resolving problems more quickly. The new system would also have freed staff to conduct frequent evaluations of contractors' performance and deliveries, packaging, storage and temperature control of rations. The Board, however, noted that as of October 2007, the rations management system had not yet been implemented.

229. **The Board recommends that the Administration expedite the implementation of a rations management system to ensure the proper management and administration of rations.**

230. The Department of Field Support commented that the Procurement Service had since issued a request for proposal for the provision of rations management software, that a technical review had been completed, and that a demonstration by vendors was to take place in March 2008.

231. At UNDOF, there was no Rations Contractor Administrator, and the management of rations was undertaken by a Staff Officer (Food) and a Rations Clerk, both of whom had other responsibilities. As a result, some functions that were vital to rations management were not undertaken. The Administration stated that this was due to budgetary constraints.

232. **The Board recommends that UNDOF take appropriate measures to ensure that funding is available to facilitate the recruitment of a Rations Contracts Administrator.**

Storage of rations

233. At MONUC, adequate records had not been maintained to track, on a daily basis, the temperature of rations kept in storage by military contingents, as required by paragraph 2.9.79 of the Operations Support Manual and paragraph 98 of the Mission's standard operating procedures. This monitoring is necessary to ensure that rations are stored at the prescribed temperature.

234. **The Board recommends that MONUC, in conjunction with military contingents and formed police units, ensure that: (a) daily checks are made to ensure that rations are stored at the required temperature; and (b) adequate records are maintained of such daily checks.**

235. MONUC commented that military contingents and formed police units were responsible for the provision and maintenance of cold storage facilities under their respective contingent-owned equipment arrangements and that the Rations Unit staff or the Military Supply Officer carried out inspections on a regular basis. MONUC stated that the requirement for daily checking of temperature and the related record keeping had since been reiterated to the contingent commanders during the monthly meeting convened by the Force Commander and during the food conferences held in Kinshasa and Bukavu in October 2007.

236. At UNMIL and MINUSTAH, ration packs had not been stored at the prescribed temperature; as a result, there was spoilage of at least 128,710 ration packs valued at $0.913 million as at 6 September 2007 for UNMIL and 13,527 ration packs valued at $0.110 million as at 15 August 2007 for MINUSTAH. In addition, at MINUSTAH, an inspection carried out in one region on 24 August 2007 disclosed that 32 boxes of emergency ration packs had been stored in the office of the Chief Logistic Operations because there was no fully functional temperature-controlled storage facility available for use.

237. **The Board recommends that the Administration ensure that UNMIL and MINUSTAH take appropriate measures to ensure that rations are stored at the prescribed temperature in order to minimize spoilage.**

238. The Administration commented that food rations were stored by contingents in reefer containers provided by their home countries as part of self-sustainment in catering. Contingents which did not have their own containers were supplied with the same through the rations contractor. The Administration stated that MINUSTAH was in the process of taking appropriate steps to provide temperature-controlled storage facilities for emergency ration packs at the regional headquarters and at all contingent locations. This was expected to be completed by February 2008. In the case of UNMIL, the Mission had since issued guidance for the proper management of the ration packs to all concerned parties.

239. At UNDOF, ration stocks were not properly managed at Camp Ziouani in Israel, as evidenced by the large quantity of spoiled and/or expired food at the time of the audit in September 2007. The Mission explained that the food had arrived in that state but no discrepancy report had been prepared and submitted to the rations contractor. Such a report is required to be filed within five days of the receipt of the

goods. In addition, inspection of the warehouse at Camp Faouar disclosed that the structure and its premises were unsatisfactorily maintained. Unsanitary conditions were observed, as evidenced by the dilapidated structure in which food was stored, the defective freezer doors, and the presence of insects, birds, rodents and other pests in the storage area.

240. **The Board recommends that the Administration ensure that UNDOF: (a) strictly comply with the requirement to report, within the specified period, discrepancies in the receipt of rations; and (b) improve the conditions in which rations are stored.**

241. The Department of Field Support commented that the ration stores at Camp Ziouani had been cleared and reorganized in October 2007 and major maintenance work had been carried out in November 2007 to the existing warehouse at Camp Faouar, including the construction of a new one. It was expected these changes would improve the conditions in which the rations were stored.

Stock balances

242. At UNMIT, contingents did not submit the weekly reports of stock balances that would enable the Chief of Rations to monitor the supply of rations, while at UNOCI, the record keeping was unsatisfactory in respect of three military contingents.

243. **The Board recommends that the management of UNMIT and of UNOCI, respectively, ensure that contingents submit weekly reports of stock balances and improve their record keeping for rations.**

244. The Department of Field Support commented that UNMIT had since introduced, in August 2007, a weekly stock balance report that enabled the Chief of Rations to closely monitor and review rations stockholdings. In the case of UNOCI, the discrepancies had arisen during the transitional period from the former to the new contract and was related to the coding system for rations.

245. The administrative instructions for the emergency composite ration pack reserve require units to maintain a seven-day supply of United Nations composite ration packs as a reserve for emergency purposes. However, at UNMIL, an audit visit to Buchanan on 28 August 2007 disclosed that no emergency ration packs were in stock at one of the contingents.

246. **The Department of Peacekeeping Operations agreed with the Board's recommendation that UNMIL plan and monitor the distribution of composite ration packs to ensure that all contingents maintain the minimum reserves.**

247. UNMIL explained that all contingents were obliged to consume one pack per 28-day cycle and that contingents were provided with normal rations one week in advance. Since the packs provide an additional two-day supply, contingents would have had seven to nine days of reserve in stock. The contingent in question had received its packs from the food contractor on 31 August 2007, as scheduled.

17. Air operations

Aviation safety assistance visits and surveys

248. Aviation safety assistance visits and surveys are aimed at providing to the management of peacekeeping operations a detailed assessment of factors influencing aviation safety and form the basis for identifying the remedial action needed to enhance aviation safety and prevent accidents.

249. For the period under review, aviation safety personnel from United Nations Headquarters had conducted 16 of the required 25 surveys. However, 3 were repeat surveys conducted at UNOMIG, UNMIK and UNIOSIL. Therefore, 12 surveys had not been conducted as scheduled.

250. The Department of Field Support commented that the Aviation Safety Section did not have sufficient resources to meet the surge in the Organization's aviation activity and in many cases had to rely on self-regulation and feedback from the resident and regional aviation safety officers at the missions. With only four Professional officers and a limited travel budget, the ability of the Section to meet the visit schedules as stipulated in the Aviation Safety Manual was hindered. For 2007/08, the Section had been supplemented with an additional Professional staff member. This would boost the Section's ability to meet the statutory number of visits.

251. In relation to UNMEE, the Department commented that, for a prolonged period of time, the Government of Eritrea had exercised a restriction on the entry of citizens of countries in Europe and North America, which had hampered visits to the Mission. With the establishment of the Regional Aviation Safety Office at UNLB, two aviation safety officers, from Uruguay and India, would be conducting a visit to the Mission in February 2008.

252. As regards the missions that had repeat surveys, the Department of Field Support stated that the visits to UNMIK and UNOMIG had been related to the activities of the Regional Aviation Safety Office at UNLB and aimed at providing aviation safety oversight from these locations to UNLB. In addition, UNMIL and UNIOSIL were considered one regional air fleet, since the majority of the air assets had been transferred to UNMIL from neighbouring UNAMSIL. As such, the visit had been conducted in conjunction with the UNMIL visit.

253. **The Board recommends that the Administration ensure that the Aviation Safety Section has adequate resources to ensure that it complies fully with the requirements of the Aviation Safety Manual in relation to aviation surveys and inspections.**

Aviation safety standards

254. At MINUSTAH, contrary to United Nations aviation safety standards, meteorological information had not been available for each airport and firefighting equipment and personnel were inadequate. At the time of the audit in August 2007, the acquisition plan for meteorological equipment had not yet been finalized.

255. The Department of Field Support informed the Board that it had since procured and installed Weather Wizard, a weather tracking system which is linked to a Lotus Notes-based program that permits Air Operations to collect and evaluate basic weather information. In addition, military liaison officers had commenced

training on the use of the weather stations in remote areas in which no aviation personnel were onsite. The Mission had also requested additional resources (personnel and equipment) in the 2008/09 budget to enhance the level of meteorological services. With regard to firefighting vehicles, orders had since been placed for three such vehicles.

256. **The Board recommends that the Administration expedite the recruitment of personnel and the acquisition of meteorological equipment in order to minimize aviation safety risks and ensure compliance with both international and United Nations aviation safety standards.**

257. Also at MINUSTAH, the budget proposal for specialized training in mission aviation safety had been significantly reduced, although the aviation safety assistance visits had highlighted this as a priority area.

258. **The Administration agreed with the Board's recommendation to provide adequate funding to MINUSTAH for the specialized training of aviation staff members.**

259. The Department of Field Support commented that adequate provision had since been made for the training requirements of MINUSTAH in the cost estimates for 2008/09 and that in its future budget proposals, the Mission would continue to adhere to policies and guidelines issued by United Nations Headquarters as regards training requirements.

Aircraft passengers

260. At UNIFIL, there was evidence that non-United Nations passengers had travelled on helicopter flights without the required approved flight requests and waivers of limited liability, thereby exposing the Organization to possible financial liability in the event of injury and death arising from such flights.

261. **The Board reiterates its previous recommendation that UNIFIL strictly enforce the requirement relating to the approval of flight requests and waivers of limited liability whenever non-United Nations personnel are travelling on United Nations aircraft.**

262. At MONUC, of the 1,142 passengers carried on the 15 return flights sampled, 341 had been recorded or classified as non-United Nations personnel. The Board is of the view that the number of flights might be reduced if restrictions were placed on non-United Nations personnel travelling on the Mission's aircraft. In addition, there was no effective mechanism in place for the partial or total recovery of costs in respect of non-United Nations personnel.

263. **The Board recommends that MONUC: (a) carry out an analysis to determine the extent to which a restriction in the use of its aircraft by non-United Nations personnel is likely to result in a reduction in the number of flights; and (b) consider the possibility of charging a partial or total cost recovery fee for the use of United Nations aircraft by non-United Nations personnel.**

264. MONUC commented that the new electronic movement of personnel (e-MOP) system, introduced in September 2007, would ensure that flights were utilized so as to optimize economy and efficiency, consistent with the Mission's mandate and the integrated mission concept. In addition, non-United Nations passengers were

permitted to board Mission flights on a space available basis without the requirement for reimbursement when the primary purpose of the flight is in support of the Mission's mandate.

265. At UNMIL, for the period under review, the passenger average per flight was calculated at 45 per cent of seating capacity, a 2 per cent increase over the 2005/06 figure, while the average cargo carried on helicopters remained at 35 per cent of their capacity.

266. **The Board recommends that UNMIL seek ways of improving aircraft utilization.**

267. Management commented that owing to the nature of dead-leg flights, medical evacuation trips, and cargo and patrol operations, the true utilization performance of the air operations might not be accurately assessed and that the current nature and form of reporting and systems did not cater for an effective review of utilization. The Mission would nevertheless continue to conduct analyses to ensure the efficient utilization of aircraft.

Emergency response

268. At MONUC, emergency response plans for some airfields had not been updated. The failure to ensure that such plans were regularly updated is likely to compromise the Mission's capability to effectively respond to emergency situations.

269. MONUC informed the Board that the emergency response plans for Kinshasa had since been revised while those for the other regions were in the process of being updated.

270. **MONUC agreed with the Board's recommendation to expedite the updating of all emergency response plans on a regular basis.**

18. Information and communication technology

Security standards and procedures

271. Peacekeeping operations have greatly expanded and UNLB has become a global and strategic information and communication technology hub for United Nations Headquarters and the United Nations throughout the world. The information and communication technology system consists of 155 satellite communication links which monitor and coordinate the establishment and activities of all United Nations peacekeeping operations. It also acts as the main bridge for data communications, such as e-mail, telephone communications and videoconferencing sessions between all of the peacekeeping operations throughout the world and United Nations Headquarters. In addition, the system operates an enterprise data centre that hosts more than 400 servers and associated software applications for United Nations operations. Further, the system acts as a disaster recovery and business continuity centre by backing up all United Nations peacekeeping mission data in addition to hosting all global software systems.

272. The functions dedicated to the development and enforcement of information and communication technology standards and procedures have not been established, although UNLB had requested funding to do so in its 2007/08 budget. UNLB indicated that it had reiterated the request in the 2008/09 budget.

273. The complexity and scope of operations at UNLB are crucial to peacekeeping efforts, and the information and communication technology operational management should ensure that there is no interruption of the services and that infrastructure is maintained at all times. Poor tactical or operational decisions would negatively impact all peacekeeping and many other operations throughout the world. Failure to provide the necessary services, or any interruption of service, could compromise or jeopardize peacekeeping activities.

274. **The Board recommends that UNLB, in conjunction with United Nations Headquarters, expedite the establishment of a function dedicated to the development and enforcement of information and communication technology security standards and procedures.**

Business continuity plan

275. At MONUC, the Mission's specific business continuity, or disaster recovery, plan was still being formulated. The absence of properly documented, communicated and tested plans is likely to compromise the ability of users to recover from major system disasters. In addition, the Mission had no policy or documented procedures in place with regard to the change management policy. There was therefore no assurance that there would be ease of transition when there were changes to applications or version control systems.

276. MONUC indicated that data backup at its disaster recovery and business continuity site at UNLB and was conducted in accordance with the Mission's standard operating procedures and the disaster recovery and business continuity policy of the Department of Field Support. In addition, the Communications and Information Technology Service at MONUC was working on completing the in-theatre site at Entebbe, using the aforementioned policy as the template. The Administration also informed the Board that the change management policy had since been approved for implementation.

277. **The Board recommends that MONUC: (a) formally document and implement a specific disaster recovery plan; and (b) implement the change management policy.**

Governance structure

278. At UNMIL, information and communication technology governance structures were not in place although all missions had been advised since 2005 that such a structure should be established to provide a uniform approach to development, maintenance, system support and training. This issue had also been raised by the Office of Internal Oversight Services in April 2007.

279. The Administration indicated that UNMIL had increased the scope of the Information and Communication Technology Review Committee to include the review of governance issues and that, at the next meeting of the Committee in January 2008 the Mission's projects relating to information and communication technology would be discussed. The Mission had also requested funding in the 2008/09 budget for a consultant to develop and implement a business continuity plan. In addition, the Mission had begun a crisis management actions project, the first phase of which would be to catalogue required responses to various potential emergencies. The second phase would be to identify the critical core business

processes that must be continued during an emergency. Those two phases would be completed in January and June 2008, respectively.

280. **The Board recommends that UNMIL: (a) convene regular meetings of the Information and Communication Technology Review Committee and increase the scope of the Committee to include overall governance of information and communication technology; and (b) prepare a business continuity plan.**

Access controls

281. At MONUC, password and logical access controls for the Windows operating system, the Sun system (financial applications) and the Galileo system (asset management applications) had not been strictly observed and there was therefore the risk of unauthorized access.

282. The Department of Field Support commented that once the operating system time logout was in place, there was no need for additional applications for time logout and that the Mission had informed its personnel of the procedures for automatically locking computers on a time-out duration. The Department had also revised the Galileo automatic logout.

283. **The Board recommends that MONUC implement best practice as regards password and logical access controls by ensuring that passwords are alphanumeric.**

19. Human resources management

Human resources plan

284. At MONUC, UNMIL, UNMIK, MINUSTAH and UNOCI, human resources plans, including succession planning, were not yet in place. The absence of a plan had been raised in the previous audit and the Administration had agreed to develop and implement comprehensive human resources plans.

285. **The Board reiterates its previous recommendation that missions, in conjunction with headquarters, develop and implement comprehensive human resources plans, as well as succession plans, to enable them to attract and retain suitably qualified and trained personnel.**

286. The Department of Field Support indicated that the implementation of a human resources plan must be considered in the broader context of the introduction of human resources action plans at all field missions. The human resources action plan concept and its framework had been endorsed by both the Office of Human Resources Management and the expanded senior management team of the Department of Peacekeeping Operations and the Department of Field Support. The Department of Field Support stated that a pilot project would be implemented at five missions (MINUSTAH, UNMIL, UNMIS, UNMIT and UNAMA) and that it was in the process of developing information technology-based human resources management tools for data compilation, which would assist the pilot missions in meeting the objectives of the human resources action plan. Following a review of lessons learned during the pilot implementation of the plans at those five missions, the project would be rolled out to all missions, effective July 2008 for missions funded from special assessed contributions and January 2009 for missions funded from the regular budget.

Vacancy rates

287. The overall objectives of the recruitment policy of the Department of Peacekeeping Operations is to provide field missions with the right person for the right post at the right time and to attract and retain the best qualified and experienced candidate. The recruitment process is therefore guided by the need to select staff on the basis of merit, demonstrated competencies and performance, through a competitive and transparent process for the purpose of securing the highest standards of efficiency, competence and integrity, with due regard to geographical considerations and gender distribution.

288. The Board's recommendation for a continuous effort to fill vacant posts in a timely manner still holds true for the current audit since the vacancy rates noted at missions were beyond the established results-based budgeting vacancy rate of 20 per cent for start-up missions and 15 per cent for stable missions. The failure to address the vacancy rate, especially in critical positions, might result in undue pressure being placed on existing staff, resulting in high staff turnover rate and in errors that might go undetected.

289. At UNMIT, the registered average vacancy rates for international, national and United Nations Volunteers were 35, 18 and 13 per cent, respectively, as at 30 June 2007. A publication of vacancies to address the situation had last been issued in April 2007. However, it had excluded some vacant positions for international staff in the Supply Section and the Fuel Cell, which had vacancy rates ranging from 31 to 100 per cent.

290. At MONUC, the overall vacancy rate as at 30 June 2007 was 9 per cent. However, vacancy rates in excess of 10 per cent existed for various categories of personnel. The Board also noted that there had been delays in filling posts, ranging from 6 to 16 months from the date of advertisement to the approval of appointment. This exceeded the time frame of 60 to 110 days proposed in the report of the Secretary-General on human resources management reform (A/55/253 and Corr.1).

291. The vacancy rates at UNMIL as at 30 June 2007 for posts at the senior and middle management levels were 18 and 15 per cent, respectively. Some of the positions had been vacant for more than six months.

292. At MINUSTAH, the vacancy rate at the Professional level was 16.4 per cent as at 30 June 2007, while at UNOCI, vacancy rates for international staff, local administrator and United Nations Volunteers were 16, 23 and 11 per cent, respectively.

293. **The Board recommends that the Administration expedite the filling of vacancies at all missions.**

294. The Department of Field Support commented that a human resources action plan was being developed to address the high vacancy rates at the missions. Missions had also been delegated authority and responsibility for filling vacancies. The Department stated that UNMIT was a start-up Mission and that filling the vacancies had depended upon approval of the final staffing table and adherence to the recruitment procedures.

Personnel records

295. At UNDOF, of a sample 20 personnel files, 8 had not been updated with changes to the salaries of employees. The failure to update the personnel records of employees can result in the incorrect computation of benefits, such as those relating to pension and after-service health insurance entitlements.

296. **The Board recommends that UNDOF ensure that personnel files are always kept up-to-date.**

297. The Department of Field Support commented that the Personnel Section had since updated the personnel action notification files of all staff members and would take steps to update those files when salary scales were revised.

Gender balance

298. The Board followed up the implementation of its previous recommendation on the improvement of gender balance and noted that the situation had yet to be fully addressed at UNMIL and MONUC.

299. At UNMIL, the gender balance of staff as at 30 June 2007 was not within the 50/50 ratio. In particular, the ratios of males to females in respect of international staff, national staff and United Nations Volunteers were 68:32, 80:20 and 67:33, respectively. A similar observation was made in respect of MONUC, where the overall the gender ratio was 72:28, with the senior management level showing a ratio of 81:19.

300. The missions explained that the gender equality objective had been constrained by the unavailability of candidates and the lack of authority over the initial screening, review and technical clearance process.

301. At UNOCI, although the gender balance had improved, women were still underrepresented. In addition, the recommended appointment of a focal point had not been implemented.

302. **The Board recommends that the Administration continue to develop and implement strategies and targets in human resources plans with a view to achieving the 50/50 gender balance at all missions.**

303. The Department of Field Support commented that annual realistic targets towards achieving the 50/50 gender balance had been included in the human resources action plan and various indicators established to achieve the target over a period of time. The Administration informed the Board that the Office of Human Resources Management was providing practical recommendations for the improvement of gender balance at the missions.

Electronic performance appraisal system

304. At MONUC, 9.6 per cent of the electronic performance appraisal system (e-PAS) submissions pertaining to regions 1 to 3, covering the period from 1 April 2006 to 31 March 2007, had not been finalized as at 31 August 2007. In addition, the e-PAS Performance Review Committee, which is required to review the consistency of the results of e-PAS among various sections, had not yet been established. Delays in the finalization of the e-PAS records are likely to result in staff not receiving the necessary feedback in relation to their performance.

305. **The Board recommends that MONUC: (a) adhere to the deadlines set for the submission and finalization of performance appraisals by all staff members; and (b) establish a management review committee in compliance with the requirements of the Human Resources Handbook.**

306. The Department of Field Support informed the Board that MONUC had since established a management review committee which would commence its work at the beginning of the next e-PAS cycle and that the Field Personnel Division would closely monitor compliance by MONUC through self-monitoring and the human resources action plan.

Training

307. At UNOCI, training had not been conducted on a regular basis for military observers, officers and police staff, while not all battalion commanders had received trainers' training on the prevention of sexual exploitation and abuse. The contingents attributed this to the lack of trainers and insufficient number of translators, given the dispersed location of contingents.

308. **The Board recommends that UNOCI take the necessary measures to recruit trainers and translators in order to ensure that the required training of military contingents is undertaken.**

309. The Department of Field Support commented that UNOCI had since applied the train-the-trainer approach and that training was being applied onsite. UNOCI had also implemented a database for monitoring attendance, and training certificates were being issued.

Procedure manual and handover notes

310. At UNMIL, there was no procedure manual that documented the policies and procedures relating to the budget process. Such policies and procedures include the assignment of responsibilities among personnel and offices, monthly, quarterly and annual timelines for the submission of budget information, the process flow for submission, the approval procedures, the adjustment procedures, and the review and variance analysis procedures. There also was no evidence of management processes being in place to identify and correct variances between actual and budgeted figures on a monthly basis.

311. In addition, the monthly expenditure and appropriation report compiled by the budget section and sent out on a monthly basis to the chiefs of all sections only provided information on changes to appropriations and the year-to-date expenditure. Therefore, under or overspending was not immediately identified since there were no comparisons on a month-to-month basis, or on current year-to-date expenditures compared with prior months or year-to-date expenditures.

312. **The Department of Field Support agreed with the Board's recommendation that UNMIL: (a) implement a formal budget policy within the Mission; and (b) implement controls over monthly reporting to enable management to identify and explain material variances between actual and budgeted expenditure.**

313. The Administration informed the Board that key performance indicators had since been established at UNMIL to assist in the monitoring of the budgetary

expenditure. Two specific benchmarks in the key areas of unencumbered balance and percentage of budget expended had been identified and were under constant review by the Director of Administration and concerned section chiefs. UNMIL had also developed and circulated in December 2007 the standard operating procedures for the budget process.

314. At UNMIL, the best practices toolbox for handover notes for personnel leaving their positions or for those on leave of absence for more than four weeks had not been implemented.

315. **The Board recommends that UNMIL implement the best practices toolbox for handover notes for staff members leaving the Mission permanently in order to assist their successors during the transition periods.**

316. The Department of Field Support informed the Board that UNMIL had since issued an information circular, reminding staff members, especially those leaving the mission or moving from one section to another, that it was imperative that they prepare handover notes to assist their successors. The Department stated that the Mission management would monitor all handovers to ensure strict compliance with the provisions of the information circular.

20. Inter-agency coordination

317. At MONUC, there was no memorandum of understanding between the Mission and the other United Nations agencies for the use of common services for the purpose of ensuring cost recovery. Such common services include the supply of fuel, hotel accommodation, cafeterias, transportation, post exchange and security.

318. **The Board recommends that MONUC explore the possibility of having a cost-recovery system in place for common services involving other United Nations agencies and arrange for the necessary memorandum of understanding to be prepared and signed by all concerned parties.**

319. The Department of Field Support commented that the workplan for the 2007 United Nations country team contained a section on the preparation of memorandums of understanding on common services. The Operations Management Team, which was jointly chaired by UNDP and MONUC, had since been given responsibility for preparing the memorandums. A joint logistics task force, to be chaired by MONUC, would also be established during the first quarter of 2008 to oversee their implementation.

21. Integrated mission planning process

320. The United Nations integrated mission planning process, endorsed by the Secretary-General's Policy Committee in June 2006, provides for the periodic review of a mission's plan throughout the life of the mission. The objective is to ensure that the plan remains relevant and up to date and is harmonized with the broader United Nations objectives, planning and other processes. Ongoing activities also need to remain consistent with the overall strategic objectives contained in the mission plan.

321. The Advisory Committee on Administrative and Budgetary Questions stated that it looked forward to an assessment of the effectiveness of the integrated mission

planning process guidelines by the Board once the guidelines had been in effect for a sufficient period of time (A/61/866, para. 321).

322. Inquiry on the status of the guidelines indicated that it had not yet been completed as it was expressed in general terms only. The Department of Peacekeeping Operations commented that it was, in consultation with its mission partners, formulating four sets of guidance notes, three of which were nearing completion and would be circulated to the principals of the partners for final review. Those notes provided more detailed information about activities and outputs that were measurable, the parties responsible and the resource requirements. The target date for completion was December 2007. Thereafter, integrated mission planning process training modules would be developed.

323. **The Department of Peacekeeping Operations agreed with the Board's recommendation that it take steps to ensure that the integrated mission planning process guidelines are finalized and made fully operational as early as possible.**

324. At UNMIS, inquiries revealed that it was only in August 2007 that the Strategic Planning Office had begun discussions with the Resident Coordinator's Office to develop an integrated plan for the United Nations in the Sudan. It should be emphasized that the integrated mission planning process is the authoritative basis, as well as the revision of existing mission plans, of all United Nations departments, offices, agencies, funds and programmes. The planning process also provides the means of identifying how the missions link together in the achievement of a common objective.

325. **The Board recommends that UNMIS expedite the implementation of the integrated mission planning process.**

326. UNMIS commented that the integrated mission planning process was expected to be finalized by December 2007, once the United Nations and partners workplan process had been completed. During the second half of 2007, UNMIS senior leadership had been formally engaged in the strategic planning process through the development of the strategic assessment, scenario planning and the strategic framework.

22. Quick-impact projects

327. Quick-impact projects are small-scale, rapidly implementable projects of benefit to the population. These projects are used by United Nations peacekeeping operations to establish and build confidence in the mission, its mandate and the peace process, thereby improving the environment for the effective implementation of mandates.

328. A policy directive issued by the Department of Peacekeeping Operations on 12 February 2007 requires that guidelines be developed to assist missions in the establishment of appropriate and effective mechanisms and procedures for the management of quick-impact projects. These guidelines are to outline a basic project implementation cycle which minimizes management procedures and administrative costs and facilitates a speedy process of project selection and implementation while ensuring good practice in project oversight.

329. Inquiry of the Peacekeeping Best Practices Section indicated that the guidelines were still in draft form. The Section explained that the guidance framework had been launched by the Department of Peacekeeping Operations in April 2006 and an extensive process of developing guidance and doctrine in support of peacekeeping operations had commenced. The Department's policy directive on quick-impact projects had been among the first to be developed as part of that initiative. However, owing to a very small staff complement, it was foreseen that the process would be completed, at the latest, by mid-2008.

330. **The Board recommends that the Department of Peacekeeping Operations take steps to expedite the completion of the guidelines relating to quick-impact projects and ensure that they are implemented at all missions.**

331. At UNOMIG, copies of the deliberations of the Local Review Committee on the project proposals for two quick-impact projects, one concerning legal and psychological advice on children's rights and advocacy and the other a human rights calendar containing children's drawings, could not be found in the case files. There were also no established procedures for the evaluation of the effectiveness of quick-impact projects. In particular, weekly monitoring reports had been prepared only with effect from January 2007 and did not contain the percentage of completion and the cost incurred to date for each project.

332. **The Board recommends that UNOMIG improve its monitoring of quick-impact projects, as well as the related documentation and filing of the results of such monitoring.**

Project implementation

333. At UNIFIL, of a sample of 24 projects, 13 had been reported as completed, 10 were ongoing and one had been cancelled owing to the release of funding by another donor. Discussions with the Office of Civil Affairs indicated that a number of projects that were considered critical to the local community but which were not covered by the quick-impact project criteria, had had to be undertaken. The Department of Field Support commented that the mission had since imposed tighter time limits on agencies to complete projects within the agreed time frames.

334. At MONUC, 78 of the 134, or 58 per cent, of quick-impact projects for the financial period 2006/07 had not been completed on time. Delays as at 31 August 2007 ranged from five to eight months. The Department of Field Support commented that the Mission would put in place a number of measures, including (a) providing all heads of office with a portfolio status report by the seventh day of each month; (b) requiring each head of office to hold a monthly meeting to review all ongoing quick-impact projects by the 15th of each month; and (c) forwarding the minutes of the monthly review meeting to the Quick-impact Projects Unit for tracking at mission level as regards compliance and for further follow-up by the Unit as needed.

335. A similar observation was made in respect of UNMIL, where 26 per cent of quick-impact projects had not been completed on time. In particular, delays in the completion of 10 projects ranged from two to nine months. In addition, physical inspections indicated substandard and incomplete work on two projects.

336. The Department of Field Support commented that UNMIL had since implemented a monitoring and tracking system that systematically oversaw the

entire process of reviewing, selecting and administering approved projects. The system facilitated the identification and addressing of problems well before the end of the three months set for disbursement of the first instalment of project funds. Also, in cooperation with the Reintegration, Rehabilitation and Recovery Section, the UNMIL Force Commander had directed military observers to visit periodically ongoing quick-impact projects and report on the status of their implementation.

337. At UNOCI, 41 of 52 projects had been approved in June 2007, however, only 4 had been implemented as of September 2007. The Department of Field Support commented that the Quick-impact Project Board had since increased the frequency of its meetings and, as at 29 November 2007, funds for 2007/08 had been allocated to the various projects. The Department also commented that the standard operating procedures of the Board had been amended and its meetings would be held once or twice a month, depending on available resources and the number of project proposals to be processed.

338. **The Board recommends that the Administration, in collaboration with the management at missions, develop strategies to ensure that: (a) quick-impact projects are completed within the agreed time frames; and (b) physical inspections are carried out periodically to ensure that the work undertaken is of an acceptable quality.**

23. Resident auditors

339. Over the years there has been an increase in the number of missions where resident auditors are deployed, from 3 in 1998 to 13 in 2007. The Office of Internal Oversight Services deploys resident auditors using a ratio of one auditor to every $100 million of budgeted expenditure. The total complement as at 30 June 2006 was 56. The Office of Internal Oversight Services adopts a risk-based approach in the conduct of its audits.

340. The Board reviewed the work of the Office in relation to internal audit coverage of peacekeeping operations. The purpose of the review was to ascertain the extent to which reliance could be placed on its work.

341. The Office of Internal Oversight Services plans its audit activities on an annual basis. For 2006, of the 201 audits planned, only 86, or 43 per cent, had been undertaken and completed as at 31 December 2006, while 46 were ongoing. Table II.13 depicts the status of planned audits for 2006 and 2007 at the time of reporting.

Table II.13
Status of planned audits for 2006 and 2007

Year	*Planned*	*Completed*	*Ongoing*	*Not started*	*Cancelled*
2006	201	86	46	21	48
2007	217	61	83	11	62

342. The Office of Internal Oversight Services indicated that the audit plan is subject to a variety of unanticipated changes, such as the addition of audits at the request of legislative bodies and the various auditees, as well as special audits

requested by the Head of the Office. Because of this, a number of audits had had to be cancelled while others had been delayed.

Audit activities

343. In its previous report, the Board had noted that vacancies in the Resident Audit Section had contributed to the non-execution of planned audits. During the audit period, the Board noted that the situation had not improved in respect of MONUC, UNMIL and MINUSTAH.

344. At MONUC, the vacancy rate as at 30 June 2007 was 33 per cent. As such, high-risk areas, such as the audit of information and communication technology and the equally important audit of the portfolio of evidence in respect of the performance report, had not been undertaken. The Office of Internal Oversight Services indicated that the audit of information and communication technology would be conducted in 2008.

345. At MINUSTAH, the audit plan for 2006 had been revised on 7 July 2006, with 4 of the 13 planned audits, or 30.7 per cent, carried forward to the 2007 audit and 4 other audits cancelled. For 2007, 5 of the 9 planned audits had yet to commence as at 31 August 2007. The Office of Internal Oversight Services explained that the audit requests received from senior management had resulted in changes to planned audit activities.

346. Also at MINUSTAH, the information contained in the tracking by the Office of the implementation of recommendations had not been updated at the time of the audit.

347. **The Board recommends that the Office of Internal Oversight Services: (a) expedite the filling of all resident auditor posts to ensure effective internal audit coverage of all missions; (b) carefully monitor the workplans of the resident audit service to ensure that audits are executed and finalized in a timely manner; and (c) update on a regular basis its recommendations tracking system at MINUSTAH.**

Results of audit

348. A review of the report of the Office of Internal Oversight Services on peacekeeping operations for the period from 1 July 2005 to 31 December 2006 (A/61/264 (Part II)), indicated deficiencies in internal control, several instances of integrity violations and mismanagement at some missions. There were also significant shortcomings in procurement management.

349. At MONUC, the Office of Internal Oversight Services reviewed the management of human resources during the period from August to November 2006. Several shortcomings had been noted, including:

(a) There was no clear policy concerning advance leave, and the recording of leave;

(b) There was a need to monitor and enforce controls over travel on duty within the Mission area in relation to the occasional recuperation break and annual leave;

(c) Standard operating procedures at the Mission in regard to administration of entitlements were not in conformity with United Nations policies;

(d) Personal trips to non-hazard areas were not accurately reported on the monthly attendance sheets;

(e) There was a need to strengthen the monitoring of overtime by requiring attendance sheets and CarLog reports to be attached to overtime reports;

(f) The National Staff Unit did not maintain a roster of suitable candidates, and personnel files of national staff members did not contain proof of testing, qualifications, experience and background checks;

(g) There was a need to strengthen coordination and monitoring of the capabilities of the Training Unit.

24. Cases of fraud and presumptive fraud

350. In accordance with paragraph 6 (c) (i) of the annex to the Financial Rules and Regulations of the United Nations, the United Nations Controller reported to the Board 16 cases of fraud or presumptive fraud that occurred during the period under review, as follows:

(a) At MINUSTAH, a staff member falsified records to conceal his personal use of the Mission's fuel valued at $1,335. The case was still ongoing but the Mission had recommended to the Office of Human Resources Management that the staff member be dismissed. In the meantime, said staff member had been reassigned to another function, the padlock of the vehicle dispensing point had been changed and the spare keys kept by the Regional Security Officer;

(b) At MINUSTAH, there had been inadequate oversight in respect of aviation fuel operations, particularly in relation to record keeping. The deficiencies included adjusting meter totalizer records at the vehicle dispensing point and the drawing of fuel in containers. The amount involved was still unknown. Meanwhile, the official responsible had been transferred to Port-au-Prince where he would be under supervision until investigation of the case was completed;

(c) Also at MINUSTAH, 40 national staff members had fraudulently used the telephone PIN codes of other staff members, involving costs of approximately $3,800. The fraud had been facilitated by the roaming feature of the telephones, which could be used from any extension at the Mission. The investigation was ongoing. In order to avoid a recurrence, the roaming PIN facility had been discontinued;

(d) The billings of the ground fuel service provider for MINUSTAH had been found to be inaccurate and did not match the entries in the logsheets. There were also no fuel tickets, and fuel had been drawn by staff who no longer worked with the Mission. The amount involved was still unknown but no payments had been made on the disputed invoices. The Mission had since ceased doing business with the supplier. The Department of Field Support informed the Board that the matter had been referred to the Office of Human Resources Management for disciplinary action against the five staff members;

(e) The lack of security controls at BINUB (then ONUB) had resulted in the theft of assets kept at a container compound, resulting in a loss amounting to $180,048.43. In addition, two cases of collusion among fuel attendants had been detected through the mission electronic fuel accounting system and from a hint

provided by a former United Nations staff member. Further, a lack of supervision and poor record keeping had resulted in the misappropriation of fuel aggregating $35,136. The contracts of the staff member and the individual contractor involved in the fraud had been terminated;

(f) At UNDOF, the reported accomplishments of the heavy equipment contractor had not been verified against the quantum of work executed on the ground. A recommendation for the recovery of $143,629 was being reviewed by the Office of Human Resources Management;

(g) At UNOCI, there had been five cases of apparent theft of fuel valued at $15,300, due mainly to tampering and falsification of fuel records. At the time of reporting, an amount $114 had been recovered from two of the cases while the remaining three cases were still under investigation.

351. A review of the reports of the Office of Internal Oversight Services issued for the period under review indicated the following cases of fraudulent practice:

(a) A member of a contingent deployed at UNMIL had been involved in the theft of United Nations food rations. The Office of Internal Oversight Services recommended that the relevant Government be provided with a copy of the report and that steps be taken to ensure that the concerned contingent member was not accepted for assignment to any current or future United Nations mission. The Department of Field Support stated that a note verbale had been sent to the Permanent Mission of the concerned Member State for appropriate action to be taken;

(b) At UNMIL, a locally hired staff member, who was designated as a fuel tanker driver, had been suspected of fuel theft while driving on a road outside his area of responsibility. He was carrying approximately 150 gallons of fuel in excess of the expected load. The excess load had been determined on the basis of the recorded load at the start of the day and recorded deliveries prior to discovery of the fraudulent act. The Department of Field Support informed the Board that there had been insufficient evidence to justify disciplinary action and that administrative reprimand had been recommended.

352. The cases reported above might not reflect all cases of fraud and presumptive fraud throughout the system, since some cases might be under review by other offices or units and not yet reported to the Board.

D. Acknowledgement

353. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Peacekeeping Operations, the Under-Secretary-General for Field Support, the Under-Secretary-General for Internal Oversight Services, the United Nations Controller and members of their staff, as well as to the staff at the missions.

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France
(Chairman, United Nations Board of Auditors)

(*Signed*) Reynaldo A. **Villar**
Acting Chairman, Philippine Commission on Audit
(Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of the Republic of South Africa

4 March 2008

Note: The French member of the Board has signed the English and French versions of the present report. The other members have signed only the English version.

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Peacekeeping Force in Cyprus (UNFICYP)
2. United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)
3. United Nations Interim Force in Lebanon (UNIFIL)
4. United Nations Mission for the Referendum in Western Sahara (MINURSO)
5. United Nations Observer Mission in Georgia (UNOMIG)
6. United Nations Interim Administration Mission in Kosovo (UNMIK)
7. United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)
8. United Nations Mission in Ethiopia and Eritrea (UNMEE)
9. United Nations Mission in Liberia (UNMIL)
10. United Nations Operation in Côte d'Ivoire (UNOCI), formerly United Nations Mission in Côte d'Ivoire (MINUCI)
11. United Nations Stabilization Mission in Haiti (MINUSTAH)
12. United Nations Operation in Burundi (ONUB)
13. United Nations Mission in the Sudan (UNMIS)
14. United Nations Integrated Mission in Timor-Leste (UNMIT)

Special purpose accounts

1. Peacekeeping Reserve Fund
2. Support account for peacekeeping operations
3. United Nations Logistics Base (UNLB) at Brindisi, Italy
4. Peacekeeping after-service health insurance

Completed peacekeeping operations

1. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)
2. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET)
3. United Nations Iraq-Kuwait Observation Mission (UNIKOM)
4. United Nations Mission in Bosnia and Herzegovina (UNMIBH)
5. United Nations Mission of Observers in Tajikistan (UNMOT)

6. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH), United Nations Civilian Police Mission in Haiti (MIPONUH)
7. United Nations Mission in the Central African Republic (MINURCA)
8. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)
9. United Nations Preventive Deployment Force (UNPREDEP)
10. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group (UNPSG)
11. United Nations Observer Mission in Liberia (UNOMIL)
12. United Nations Peace Forces (UNPF)
13. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)
14. United Nations Mission in Haiti (UNMIH)
15. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)
16. United Nations Observer Mission in El Salvador (ONUSAL)
17. United Nations Operation in Mozambique (ONUMOZ)
18. United Nations Operation in Somalia (UNOSOM)
19. United Nations Military Liaison Team in Cambodia (UNMLT)
20. United Nations Transitional Authority in Cambodia (UNTAC)
21. United Nations Transition Assistance Group (UNTAG)
22. United Nations Iran-Iraq Military Observer Group (UNIIMOG)
23. Special Account for the United Nations Emergency Force (UNEF) 1956
24. Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Annex II

Status of implementation of recommendations for the financial period ended 30 June 2006[a]

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
1. Strict adherence to criteria on recognition of unliquidated obligations	2004/05		para. 45 (para. 26 in 2004/05)[b]		1	paras. 41 and 44
2. Cancellation of prior-period obligations	2004/05		para. 39 (para. 35 in 2004/05)[b]		1	para. 38
3. Long-outstanding accounts receivable	2004/05		not reiterated (para. 48 in 2004/05)[b]		1	paras. 92 and 96
4. Equitable geographical distribution of procurement contracts	2004/05	para. 76 (para. 74 in 2004/05)[b]			1	
5. Inter-agency local procurement activities	2004/05		not reiterated (para. 78 in 2004/05)[b]		1	
6. Guidelines for the registration of vendors	2003/04		para. 86 (para. 82 in 2004/05)[b]		1	para. 211
7. Vendor performance reports	2001/02		para. 89 (para. 86 in 2004/05)[b]		1	para. 208
8. Performance bonds on procurement	2003/04		para. 98 (para. 99 in 2004/05)[b]		1	para. 203
9. Procurement staffing	2003/04		not reiterated (paras. 101 and 105 in 2004/05)[b]		2	para. 218
10. Utilization of procurement plans	2002/03	para. 108 (para. 115 in 2004/05)[b]			1	
11. Procurement training	2003/04		para. 112 (para. 118 in 2004/05)[b]		1	
12. Ex post facto approval/Headquarters Committee on Contracts Review	2004/05		para. 124 (para. 134 in 2004/05)[b]		1	

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
13. Lead time for contract approvals	2004/05		not reiterated (para. 137 in 2004/05)[b]		1	para. 184
14. Narrow gap between budget and flight hours	2003/04	para. 140 (para. 144 in 2004/05)			1	
15. On-site review/assessment of air carriers	2004/05	para. 145 (para. 151 in 2004/05)[b]			1	
16. Costing structures	2004/05		not reiterated (para. 168 of 2004/05)[b]		1	
17. Aviation performance reports						
Monitoring of aviation performance reports	2003/04		para. 150 (para. 171 in 2004/05)[b]		1	
Database of all aviation inspection/performance reports	2003/04	Not reiterated (para. 174 in 2004/05)[b]			1	
18. Tracking system in aircraft	2003/04		Not reiterated para. 178 in 2004/05)[b]		1	
19. Executive jets/cost effectiveness	2002/03	para. 162 (para. 193 in 2004/05)[b]			1	
20. Vehicle utilization/rotation policy	2004/05	para. 172 (para. 207 in 2004/05)[b]			1	
21. CarLog information	2004/05		para. 184 (para. 214 in 2004/05)[b]		1	para. 165
22. CarLog implementation	2004/05	para. 180 (para. 218 in 2004/05)[b]			1	
23. Liberty mileage	2004/05	Not reiterated (para. 220 in 2004/05)[b]			1	

Topic	Period first reported	Implemented	Partially implemented	Not implemented	Total	Reference in the present report
24. Speeding violation and accident costs	2004/05	para. 189 (para. 225 in 2004/05)[b]	para. 197 (para. 225 in 2004/05)[b]		1	
25. Proper custody, control and recording of non-expendable property	2003/04		para. 206 (para. 233 in 2004/05)[b]		1	paras. 135 and 139
26. Inspection and recording of strategic development stocks	2003/04	para. 230 (para. 249 in 2004/05)[b]			1	
27. Vehicle spare parts stockholdings	2004/05	para. 240 (para. 254 in 2004/05)[b]			1	
28. Fuel monitoring	2004/05		not reiterated (paras. 263 and 269 in 2004/05)[b]		2	para. 171
29. Regional coordination	2004/05	para. 250 (para. 289 in 2004/05)[b]			1	
30. Recommendation of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations	2003/04	Not reiterated (para. 297 in 2004/05)[b]			1	
31. Rations performance evaluation	2003/04		para. 298 (para. 315 in 2004/05)[b]		1	
32. Proper management of rations/enforcement of rations-related contract	2004/05		para. 294 (para. 326 in 2004/05)[b]		1	para. 229
33. Leave management	2002/03		not reiterated (para. 335 in 2004/05)[b]		1	
34. Training evaluation	2002/03		para. 309 (para. 345 in 2004/05)[b]		1	
35. Conversion from 300-100 series appointments/assessment of impact of 300-series contract	2004/05	para. 332 (para. 367 in 2004/05)[b]			1	

Topic	Period first reported	Implemented	Partially implemented	Not implemented	Total	Reference in the present report
36. Sexual exploitation and abuse	2004/05	Not reiterated (para. 374 in 2004/05)[b]			1	
37. Resident auditors	2004/05	Not reiterated (para. 385 in 2004/05)[b]			1	
38. Cases of fraud and presumptive fraud	2004/05	not reiterated (para. 402 in 2004/05)[b]			1	
39. Results-based budgeting/framework and portfolio of evidence	2003/04		paras. 351 and 357 (paras. 411 and 414 in 2004/05)[b]		2	paras. 80 and 84
40. Hardware age and ratios	2004/05	Not reiterated (para. 421 in 2004/05)[b]			1	
41. Contingent-owned equipment/timely finalization of memorandum of understanding on COE	2000/01	para. 218 (para. 427 in 2004/05)[b]			1	
42. Consolidation of accounts of closed missions	2005/06	para. 50			1	
43. Recognition of liabilities in UNFICYP books	2005/06	para. 53			1	
44. Fund monitoring tool	2005/06		paras. 57 and 61		2	
45. Petty cash controls	2005/06		para. 65		1	para. 89
46. Maintenance of vendor files	2005/06		para. 83		1	
47. Declaration of independence	2005/06	para. 117			1	
48. Procurement: delegation of authority	2005/06	para. 130			1	
49. Finalization of contracts prior to delivery of goods and services	2005/06		para. 134		1	para. 192
50. Establishment of Aviation Safety Council	2005/06		para. 153		1	

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
51. Rules on carrying non-United Nations passengers	2005/06	para. 159			1	
52. Fuellog errors	2005/06	para. 168			1	
53. Vehicle replacement	2005/06	para. 177			1	
54. Increase in delegation of authority: non-expendable property	2005/06		para. 212		1	para. 129
55. Expedite write-off and disposal of non-expendable property	2005/06		para. 214		1	
56. Cargo consolidation	2005/06	para. 223			1	
57. Strategic deployment stocks: replenishment action	2005/06	para. 227				
58. Protection for generators	2005/06	para. 233			1	
59. Stock levels of expendables	2005/06		para. 236		1	para. 108
60. Cost-savings programme on procurement	2005/06	para. 253			1	
61. Early approval of memorandum of understanding between MINURSO and UNHCR	2005/06	para. 257			1	
62. Apportionment of amount allocated to support account	2005/06	para. 281			1	
63. Use of full set of criteria for backstopping of posts	2005/06			para. 285	1	para. 67
64. Clear/specific and consistent job descriptions and workplans	2005/06			para. 290	1	para. 72
65. Human resources and succession plans	2005/06		paras. 303 and 311		2	para. 285
66. Gender balance	2005/06		para. 317		1	para. 302
67. Filling of vacant post	2005/06		para. 325		1	para. 293
68. Human Resources Handbook	2005/06	para. 328			1	
69. Downsizing plan	2005/06	para. 337			1	
70. Printer to desktop ratio	2005/06	para. 360			1	
71. Central satellite hub	2005/06	para. 364			1	
72. Monitoring mechanism on quick-impact projects	2005/06		para. 372		1	para. 330
Total recommendations		**37**	**39**	**2**	**78**	

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
Breakdown:						
As presented in 2004/05 report[b]						
– Not reiterated in 2005/06		**7**	**10**	**—**	**17**	para. 12
– Reiterated in 2005/06		13	15	—	28	para. 12
Total recommendations in 2004/05 report[b]		**20**	**25**	**2**	**45**	para. 12
New recommendations in 2005/06		**17**	**14**	**—**	**33**	
Overall total		**37**	**39**	**2**	**78**	
As presented in 2005/06 report:						
Prior years — reiterated in 2005/06		13	15	—	28	
New recommendations in 2005/06		17	14	2	33	
Total recommendations in 2005/06 report		**30**	**29**	**2**	**61**	paras. 13 and 15
Percentage to total recommendations		**49**	**48**	**3**	**100**	

[a] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 5* (A/61/5 (vol. II)), chap. II.
[b] Ibid., *Sixtieth Session, Supplement No. 5* and Corrigendum (A/60/5 (vol. II) and Corr.1), chap. II.

Chapter III

Audit opinion

We have audited the accompanying financial statements of the United Nations peacekeeping operations, comprising statements numbered I to XLVII and the supporting notes and annexes, for the financial period ended 30 June 2007. These financial statements are the responsibility of the Secretary-General of the United Nations. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the Secretary-General, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2007 and the results of its operations and its cash flows for the period then ended, in accordance with the United Nations system accounting standards.

Furthermore, in our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice, or which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

Without qualifying our opinions expressed above, we draw attention to the following matters:

(a) An amount of $202.28 million is shown in statement I as savings on/or cancellation of prior-period obligations. Although some unliquidated obligations may be carried forward up to a maximum of five years, the high incidence of cancellations of prior-period obligations may be indicative of an apparent overstatement of expenditure over the years. It may also highlight the need for the Administration to place greater emphasis on the monitoring of the creation of unliquidated obligations at the close of the financial year. This matter was also raised in our previous report on peacekeeping operations (A/61/5 (Vol. II), chap. III);

(b) An amount of $1.38 billion is shown in note 13 to the financial statements, representing the original cost of non-expendable property. Significant discrepancies were noted when the results of physical counts were compared with the balances shown in the asset records. This indicates deficiencies in the system of asset management at the various missions. There was also evidence of surplus assets being held at a number of missions, as indicated by the length of time they remained unused. Similar observations were made in respect of unused expendable property.

If these deficiencies are not addressed in a timely manner, they will continue to impact adversely the ability of missions to effectively manage assets under their control.

The Board's detailed assessment of these two areas is reflected in chapter II of the present report.

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France
Chairman of the United Nations Board of Auditors

(*Signed*) Reynaldo A. **Villar**
Acting Chairman, Philippine Commission on Audit
(Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of the Republic of South Africa

4 March 2008

Note: The French member of the Board has signed the English and French versions of the present audit opinion. The other members have signed only the English version.

Chapter IV

Certification of the financial statements

1. The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2006 to 30 June 2007 have been prepared in accordance with financial rule 106.10.

2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to XLVII, are correct.

(*Signed*) Warren **Sach**
Assistant Secretary-General, Controller

1 October 2007

Chapter V

Financial statements for the 12-month period from 1 July 2006 to 30 June 2007

Statement 1

Summary of United Nations peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund, Programme support, Logistics Base, after-service health insurance*	*Total completed operations*	*All peacekeeping fund eliminations*	*Total for the period* 1 July 2006 to 30 June 2007	*Total for the period* 1 July 2005 to 30 June 2006
Income						
Assessed contributions	5 347 904	—	—	—	5 347 904	4 919 718
Voluntary contributions	28 577	—	—	—	28 577	29 747
Funding from other funds	—	2 014	—	(2 014)	—	—
Allocation from other funds	—	195 756	—	(195 756)	—	—
Funding from reserves and fund balances	—	29 017	—	—	29 017	101 721
Interest income	68 488	11 647	26 237	—	106 372	80 034
Other/miscellaneous income	12 339	66 656	(522)	(55 694)	22 779	17 506
Total income	**5 457 308**	**305 090**	**25 715**	**(253 464)**	**5 534 649**	**5 148 726**
Total expenditure	**5 149 298[b]**	**247 843**	**2 422**	**(251 450)**	**5 148 113**	**4 582 759**
Excess (shortfall) of income over expenditure	**308 010**	**57 247**	**23 293**	**(2 014)**	**386 536**	**565 967**
Prior-period adjustments	(178)	(2 642)	(1 539)	—	(4 359)	(6 756)
Net excess (shortfall) of income over expenditure	**307 832**	**54 605**	**21 754**	**(2 014)**	**382 177**	**559 211**
Savings on or cancellation of prior-period obligations	190 910	6 462	4 906	—	202 278	304 166
Credits returned to Member States	(683 214)	—	(177 057)	—	(860 271)	(492 629)
Transfers to other funds	—	(2 014)	—	2 014	—	—
Transfers from reserves and fund balances	—	(29 017)	—	—	(29 017)	(101 721)
Other adjustments to reserves and fund balances[c]	(52 913)	(406 906)	(74)	—	(459 893)	—
Reserves and fund balances, beginning of period	**881 240**	**210 143**	**781 724**	**—**	**1 873 107**	**1 604 080**
Reserves and fund balances, end of period	**643 855**	**(166 727)**	**631 253**	**—**	**1 108 381**	**1 873 107**

[a] See note 5.

[b] Schedule 1.1.

[c] Represents accrued liabilities for unused vacation days of $47,613,844, for repatriation benefits of $23,279,608, and for after service health insurance of $389,000,000. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 1.1

United Nations peacekeeping operations

Summary of expenditure for active peacekeeping operations for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

Mission	*Appropriation*	*Expenditure*						*Unencumbered balance*
		Military and police personnel	*Civilian personnel*	*Operational requirements*	*Prorated costs of UNLB and support account*	*Voluntary contributions (budgeted)*	*Total expenditure*	
UNFICYP	48 209	19 510	12 920	14 917	1 938	1 475	50 760	(2 551)
UNDOF	41 588	19 523	8 556	11 470	1 722	—	41 271	317
UNIFIL	500 669	235 815	50 317	209 604	4 052	—	499 788	881
MINURSO	47 776	6 266	14 851	20 585	1 840	2 776	46 318	1 458
UNOMIG	34 827	4 137	17 877	10 285	1 448	—	33 747	1 080
UNMIK	227 400	64 172	120 803	25 217	9 435	—	219 627	7 773
MONUC	1 141 538	439 523	203 019	442 586	47 275	2 858	1 135 261	6 277
UNMEE	144 944	62 390	23 561	40 667	7 557	—	134 175	10 769
UNMIL	745 836	366 157	112 818	197 227	30 949	53	707 204	38 632
UNOCI	491 081	231 857	80 324	138 588	18 186	—	468 955	22 126
MINUSTAH	510 395	246 371	94 542	143 107	21 181	—	505 201	5 194
ONUB	131 964	59 695	36 501	22 338	3 426	—	121 960	10 004
UNMIS	1 126 296	280 966	152 930	556 380	46 747	—	1 037 023	89 273
UNMIT	184 820	38 910	30 981	76 958	—	—	146 849	37 971
Advance Mission to Chad and Central African Republic	46 942	225	7	882	—	—	1 114	45 828
Technical Assessment Mission to the AU Headquarters and Somalia	484	—	—	45	—	—	45	439
Subtotal	**5 424 769**	**2 075 517**	**960 007**	**1 910 856**	**195 756**	**7 162**	**5 149 298**	**275 471**
UNLB — strategic deployment stock replenishment	88 188[a]	—	—	37 218	—	—	37 218	50 970
Total	**5 512 957**	**2 075 517**	**960 007**	**1 948 074**	**195 756**	**7 162**	**5 186 516[b]**	**326 441**

(Footnotes on following page)

(Footnotes to Schedule 1.1)

[a] Appropriations do not apply to strategic deployment stock activities. Instead strategic deployment stocks are replenished as a result of transfers to peacekeeping and political missions, and to other entities.

[b]

	(Thousands of United States dollars)
Total expenditure per schedule 1.1	5 186 516
Less: pro-rated costs of UNLB and support account per schedule 1.1	(195 756)
Less: strategic deployment stock replenishments recorded in peacekeeping missions and UNLB	(55 694)
Add: actual costs of support account and UNLB per schedules 21.1 and 22.1	210 624
Add: actual expenditure of Peacekeeping Reserve Fund per statement XX	1
Add: expenditure of MONUA per statement XXXI	2 422
Total expenditure as per statement I	5 148 113

Statement II

Summary of United Nations peacekeeping operations[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund, Programme support, Logistics Base, ASHI*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total*	
					2007	*2006*
Assets						
Cash and term deposits	61 490	686	661	—	62 837	33 916
Cash pool[b]	1 415 855	218 151	535 964	—	2 169 970	2 158 046
Assessed contributions receivable from Member States[c]	697 299	13 592	550 291	—	1 261 182	1 270 912
Special accounts for unpaid assessed contributions	55 552	—	11 962	—	67 514	67 514
Voluntary contributions receivable	19 685	—	—	—	19 685	5 979
Accounts receivable from Member States	4 779	13	135 914[d]	—	140 706	139 285
Other accounts receivable	33 942	29 260	1 319	(28 974)	35 547	31 662
Inter-fund balances receivable	—	34 881	5 280	(40 161)	—	—
Due from other peacekeeping funds	—	15 820	18 316	(34 136)	—	—
Deferred charges	4 337	1 340	6	—	5 683	7 461
Inter-office transactions pending processing	326	27	24	—	377	611
Other assets	—	—	2 849	—	2 849	2 849
Total assets	**2 293 265**	**313 770**	**1 262 586**	**(103 271)**	**3 766 350**	**3 718 235**
Liabilities						
Contributions or payments received in advance	28 341	—	1 908	—	30 249	6 450
Unliquidated obligations	953 241	44 228	4 066	(28 032)	973 503	1 054 151
Accounts payable to Member States	467 748	—	409 094	—	876 842	460 162
Other accounts payable	67 899	11 693	719	(942)	79 369	87 967
Inter-fund balances payable	57 489	17 670	1 100	(40 161)	36 098	34 726
Due to other peacekeeping funds	8 500	—	25 636	(34 136)	—	—
Voluntary contributions held in suspense	11 985	—	—	—	11 985	11 985
Deferred credits	1 134	—	127 401[d]	—	128 535	128 267
Inter-office transactions pending processing	160	—	49	—	209	134
Due to United Nations Special Account	—	—	3 329	—	3 329	3 329
Due to United Nations Bond Account	—	—	44 048	—	44 048	44 048
Other liabilities	—	—	13 909	—	13 909	13 909
End-of-service and post-retirement liabilities[e]	52 913	406 906	74		459 893	—
Total liabilities	**1 649 410**	**480 497**	**631 333**	**(103 271)**	**2 657 969**	**1 845 128**
Reserves and fund balances						
Working capital funds	—	150 000	—	—	150 000	150 000
Authorized retained surplus	55 552	—	80 211	—	135 763	135 763
Surplus to be transferred[f]	—	—	43 750	—	43 750	43 750

	Total active operations	Peacekeeping Reserve Fund, Programme support, Logistics Base, ASHI	Total completed operations	All peacekeeping funds eliminations	Total 2007	Total 2006
Cumulative surplus — strategic deployment stock activities	—	55 189	—	—	55 189	21 911
Cumulative surplus	641 216	34 990	507 366	—	1 183 572	1 521 683
Deficit — end-of-service and post-retirement liabilities	(52 913)	(406 906)	(74)		(459 893)	—
Total reserves and fund balances	**643 855**	**(166 727)**	**631 253**	**—**	**1 108 381**	**1 873 107**
Total liabilities and reserves and fund balances	**2 293 265**	**313 770**	**1 262 586**	**(103 271)**	**3 766 350**	**3 718 235**

[a] See note 5.
[b] See note 2 (I) (ii).
[c] Includes assessed contributions unpaid irrespective of collectability.
[d] In accordance with General Assembly resolution 51/12 A of 4 November 1996, includes expenditures totalling $127,379,954, which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits. See statement XXXIII.
[e] Represents accrued liabilities for unused vacation days of $47,613,844, for repatriation benefits of $23,279,608, and for after service health insurance of $389,000,000. See note 14.
[f] Under the terms of General Assembly resolution 56/292 of 27 June 2002, an amount of $43,750,015 shall be returned to Member States upon their settlement of the separate assessment for strategic deployment stocks. See statements XXXIII and XXXV.

The accompanying notes are an integral part of the financial statements.

Statement III

Summary of United Nations peacekeeping operations[a]

Statement of cash flows for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006 to 30 June 2007	*1 July 2005 to 30 June 2006*
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (Statement I)	382 177	559 211
(Increase) decrease in assessed contributions receivable	9 730	386 074
(Increase) decrease in voluntary contributions receivable	(13 706)	(407)
(Increase) decrease in accounts receivable from Member States	(1 421)	307
(Increase) decrease in other accounts receivable	(3 885)	(8 217)
(Increase) decrease in inter-fund balances receivable	—	3 412
(Increase) decrease in deferred charges	1 778	2 346
(Increase) decrease in inter-office transactions pending processing — assets	234	(435)
Increase (decrease) in contributions or payments received in advance	23 799	(92 506)
Increase (decrease) in unliquidated obligations	(80 648)	(224 941)
Increase (decrease) in accounts payable to Member States	416 680	123 977
Increase (decrease) in other accounts payable	(8 598)	(7 498)
Increase (decrease) in inter-fund balances payable	1 372	(1 140)
Increase (decrease) in deferred credits	268	(73)
Increase (decrease) in inter-office transactions pending processing — liabilities	75	16
Increase (decrease) in end-of-service and post-retirement liabilities	459 893	—
Less: Interest income	(106 372)	(80 034)
Net cash flows from operating activities	**1 081 376**	**660 092**
Cash flows from investing activities		
(Increase) decrease in cash pool	(11 924)	(451 004)
Plus: Interest income	106 372	80 034
Net cash flows from investing activities	**94 448**	**(370 970)**
Cash flows from financing activities		
Savings on or cancellation of prior periods' obligations	202 278	304 166
Credits to Member States	(860 271)	(492 629)
Transfer from reserves and fund balances	(29 017)	(101 721)
Other adjustments to reserves and fund balances	(459 893)	—
Net cash flows from financing activities	**(1 146 903)**	**(290 184)**
Net increase (decrease) in cash and term deposits	28 921	(1 062)
Cash and term deposits, beginning of period	33 916	34 978
Cash and term deposits, end of period	**62 837**	**33 916**

[a] See note 5.

The accompanying notes are an integral part of the financial statements.

Statement IV

United Nations Peacekeeping Force in Cyprus (UNFICYP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	25 355	25 314
Voluntary contributions[c]	22 890	22 477
Interest income	286	390
Other/miscellaneous income	266	761
Total income	**48 797**	**48 942**
Total expenditure (schedule 4.1)	**50 760**	**47 433**
Net excess (shortfall) of income over expenditure	**(1 963)**	**1 509**
Savings on or cancellation of prior-period obligations	659	641
Credits returned to Member States[d]	(2 149)	(1 333
Other adjustments to reserves and fund balances[e]	(1 828)	—
Reserves and fund balances, beginning of period	22 240	21 423
Reserves and fund balances, end of period[f]	**16 959**	**22 240**

Statement IV (concluded)

United Nations Peacekeeping Force in Cyprus (UNFICYP)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	1 465	925
Cash pool[a]	5 565	7 660
Assessed contributions receivable from Member States[b]	13 234	16 138
Voluntary contributions receivable from Member States[b]	19 685	5 979
Accounts receivable from Member States	205	118
Other accounts receivable	147	119
Deferred charges	130	123
Inter-office transaction spending processing	11	1
Total assets	**40 442**	**31 063**
Liabilities		
Contributions or payments received in advance	-	69
Unliquidated obligations — current period	5 141	7 113
Unliquidated obligations — prior periods	687	525
Accounts payable to Member States	14 978	439
Other accounts payable	215	244
Inter-fund balances payable	633	433
End-of-service liabilities[c]	1 828	—
Deferred credits	1	—
Total liabilities	**23 483**	**8 823**
Reserves and fund balances		
Cumulative surplus	18 787	22 240
Deficit — end-of-service liabilities	(1 828)	—
Total reserves and fund balances	**16 959**	**22 240**
Total liabilities and reserves and fund balances	**40 442**	**31 063**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Includes voluntary contributions in cash of $14,915,300 from Cyprus and $6,500,000 from Greece, for which budgetary provisions were made. In addition, voluntary contributions in kind was received from Cyprus of $1,474,475, for which budgetary provisions were made.

[d] Under the terms of General Assembly resolution 61/280 dated 29 June 2007, the total credits returned to Member States were $2,149,400 for the period ended 30 June 2006. Of the total, $1,169,516 was returned to Member States in respect of their assessments, and amounts of $679,433 and $300,451 were returned to Cyprus and Greece, respectively, with regards to their voluntary contributions in cash.

[e] Represents accrued liabilities for unused vacation days of $1,179,387 and for repatriation benefits of $648,853. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[f] Under the terms of General Assembly resolution 47/236 of 14 September 1993 and as reconfirmed in General Assembly resolution 61/233 B of 29 June 2007, obligations recorded for the period from 27 March 1964 to 15 June 1993 in the UNFICYP account are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 15 June 1993, the cumulative obligations to be financed from such voluntary contributions as at 30 June 2007 totalled $215,779,389. The change from the comparable figure as at 30 June 2006 of $202,761,271 is due to exchange rate movements. See note 6.

[g] Represents share of the cash pool and comprises cash and term deposits of $1,549,319, short-term investments of $2,087,784 (market value $2,087,784), long-term investments of $1,878,247 (market value $1,866,826) and accrued interest receivable of $49,902.

[h] Represents voluntary contributions receivable in cash in respect of the period ended 30 June 2007 of $13,904,467 from Cyprus and voluntary contributions receivable in respect of the period prior to 15 June 1993 of $2,707,500 and DKK 16,930,100 (equivalent to $3,072,613) from Austria and Denmark, respectively.

The accompanying notes are an integral part of the financial statements.

Schedule 4.1

United Nations Peacekeeping Force in Cyprus

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance[a] (3-6)*
Military and police personnel	18 162	(369)	17 793	18 866	644	19 510	(1 717)
Civilian personnel	11 700	721	12 421	12 910	10	12 920	(499)
Operational requirements	14 969	(352)	14 617	10 430	4 487	14 917	(300)
Subtotal	**44 831**	**—**	**44 831**	**42 206**	**5 141**	**47 347**	**(2 516)**
Prorated costs							
United Nations Logistics Base	337	—	337	337	—	337	—
Support account for peacekeeping operations	1 602	—	1 602	1 601	—	1 601	1
Subtotal	**1 939**	**—**	**1 939**	**1 938**	**—**	**1 938**	**1**
Voluntary contributions in kind (budgeted)	1 439	—	1 439	1 475	—	1 475	(36)
Total	**48 209**	**—**	**48 209**	**45 619**	**5 141**	**50 760**	**(2 551)**

[a] The Advisory Committee on Administrative and Budgetary Questions was advised in April 2007 of projected additional unforeseen expenditures of $2,473,400, mainly due to increases in the cost of rotation of military contingents and in the costs of police personnel and national staff. The overexpenditure will be reported in the 2006/07 budget performance report, at which time an additional appropriation may be requested.

Statement V

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	41 588	43 706
Interest income	1 260	944
Other/miscellaneous income	345	381
Total income	**43 193**	**45 031**
Total expenditure (schedule 5.1)	**41 271**	**42 302**
Excess (shortfall) of income over expenditure	**1 922**	**2 729**
Prior-period adjustments	(1)	—
Net excess (shortfall) of income over expenditure	**1 921**	**2 729**
Savings on or cancellation of prior-period obligations	808	2 871
Credits returned to Member States[c]	(5 600)	(1 983)
Other adjustments to reserves and fund balances[d]	(1 236)	—
Reserves and fund balances, beginning of period	62 145	58 528
Reserves and fund balances, end of period	**58 038**	**62 145**

Statement V (concluded)

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits[e]	643	500
Cash pool[f]	25 767	23 321
Assessed contributions receivable from Member States[b]	10 991	16 564
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A[g]	35 987	35 987
Accounts receivable from Member States	214	261
Other accounts receivable	324	331
Deferred charges	141	98
Inter-office transactions pending processing	1	—
Total assets	**74 068**	**77 062**
Liabilities		
Contributions or payments received in advance	15	8
Unliquidated obligations — current period	5 237	9 965
Unliquidated obligations — prior periods	3 386	2 244
Accounts payable to Member States	4 970	890
Other accounts payable	709	450
Inter-fund balances payable	477	1 360
End-of-service liabilities[d]	1 236	—
Total liabilities	**16 030**	**14 917**
Reserves and fund balances		
Authorized retained surplus[h]	35 987	35 987
Cumulative surplus	23 287	26 158
Deficit — end-of-service liabilities	(1 236)	—
Total reserves and fund balances	**58 038**	**62 145**
Total liabilities and reserves and fund balances	**74 068**	**77 062**

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/287 of 29 June 2007, the total assessment on Member States was reduced by $5,600,500, comprising unencumbered balance and other income for the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $672,658 and for repatriation benefits of $563,489. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Includes $163,827 equivalent of non-convertible Syrian pounds.

[f] Represents share of the cash pool and comprises cash and term deposits of $7,173,264, short-term investments of $9,666,329 (market value $9,666,329), long-term investments of $8,696,181 (market value $8,643,302) and accrued interest receivable of $231,043.

[g] See note 4 (b).

[h] See note 7.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

United Nations Disengagement Observer Force

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3 - 6)*
Military and police personnel	19 941	(234)	19 707	18 564	959	19 523	184
Civilian personnel	8 497	51	8 548	8 501	55	8 556	(8)
Operational requirements	11 427	183	11 610	7 247	4 223	11 470	140
Subtotal	**39 865**	**—**	**39 865**	**34 312**	**5 237**	**39 549**	**316**
Prorated costs							
United Nations Logistics Base	300	—	300	300	—	300	—
Support account for peacekeeping operations	1 423	—	1 423	1 422	—	1 422	1
Subtotal	**1 723**	**—**	**1 723**	**1 722**	**—**	**1 722**	**1**
Total	**41 588**	**—**	**41 588**	**36 034**	**5 237**	**41 271**	**317**

Statement VI

United Nations Interim Force in Lebanon (UNIFIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	500 669	99 228
Interest income	5 286	2 241
Other/miscellaneous income	308	808
Total income	**506 263**	**102 277**
Total expenditure (schedule 6.1)	**499 788**	**96 240**
Excess (shortfall) of income over expenditure	**6 475**	**6 037**
Prior-period adjustments[c]	(151)	—
Net excess (shortfall) of income over expenditure	**6 324**	**6 037**
Savings on or cancellation of prior-period obligations	1 930	11 991
Credits returned to Member States[d]	(18 027)	(8 815)
Other adjustments to reserves and fund balances[e]	(5 761)	—
Reserves and fund balances, beginning of period	103 480	94 267
Reserves and fund balances, end of period	**87 946**	**103 480**

Statement VI (concluded)

United Nations Interim Force in Lebanon (UNIFIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	1 876	1 919
Cash pool[f]	188 036	48 613
Assessed contributions receivable from Member States[b]	145 922	60 498
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A[g]	19 565	19 565
Accounts receivable from Member States	2 493	1 599
Other accounts receivable	898	518
Inter-fund balances receivable	—	2 456
Deferred charges	326	283
Inter-office transactions pending processing	33	65
Total assets	**359 149**	**135 516**
Liabilities		
Contributions or payments received in advance	396	387
Unliquidated obligations — current period	205 858	13 254
Unliquidated obligations — prior periods	949	1 406
Accounts payable to Member States	22 268	3 467
Other accounts payable	7 826	1 522
Voluntary contributions held in suspense[h]	11 985	11 985
Deferred credits	30	15
Inter-fund balances payable	16 130	—
End-of-service liabilities[e]	5 761	—
Total liabilities	**271 203**	**32 036**
Reserves and fund balances		
Authorized retained surplus[i]	19 565	19 565
Cumulative surplus	74 142	83 915
Deficit — end-of-service liabilities	(5 761)	—
Total reserves and fund balances	**87 946**	**103 480**
Total liabilities and reserves and fund balances	**359 149**	**135 516**

(Footnotes on following page)

(Footnotes to Statement VI (concluded))

[a] See notes 2, 3 and 4.
[b] Includes unpaid assessed contributions irrespective of collectability.
[c] Represents prior-period inter-agency expenditures related to civilian personnel costs.
[d] Under the terms of General Assembly resolution 61/250 C of 29 June 2007, the total assessment on Member States was reduced by $18,027,100, comprising unencumbered balance and other income for the period ended 30 June 2006.
[e] Represents accrued liabilities for unused vacation days of $3,719,003 and for repatriation benefits of $2,041,635. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.
[f] Represents share of the cash pool and comprises cash and term deposits of $52,347,669, short-term investments of $70,541,077 (market value $70,541,077), long-term investments of $63,461,319 (market value $63,075,432) and accrued interest receivable of $1,686,060.
[g] See note 4 (c).
[h] Received from Cyprus, Kuwait, Luxembourg, Oman, Seychelles and Switzerland.
[i] See note 8.

The accompanying notes are an integral part of the financial statements.

Schedule 6.1

United Nations Interim Force in Lebanon

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	258 966	(22 783)	236 183	167 582	68 233	235 815	368
Civilian personnel	35 960	14 565	50 525	49 562	755	50 317	208
Operational requirements	201 690	8 218	209 908	72 734	136 870	209 604	304
Subtotal	**496 616**	—	**496 616**	**289 878**	**205 858**	**495 736**	**880**
Prorated costs							
United Nations Logistics Base	705	—	705	705	—	705	—
Support account for peacekeeping operations	3 348	—	3 348	3 347	—	3 347	1
Subtotal	**4 053**	—	**4 053**	**4 052**	—	**4 052**	**1**
Total	**500 669**	—	**500 669**	**293 930**	**205 858**	**499 788**	**881**

Statement VII

United Nations Mission for the Referendum in Western Sahara (MINURSO)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	44 460	47 948
Voluntary contributions[c]	2 776	3 761
Interest income	277	167
Other/miscellaneous income	230	254
Total income	**47 743**	**52 130**
Total expenditure (schedule 7.1)	**46 318**	**48 517**
Excess (shortfall) of income over expenditure	**1 425**	**3 613**
Prior-period adjustments	(1)	(3)
Net excess (shortfall) of income over expenditure	**1 424**	**3 610**
Savings on or cancellation of prior-period obligations	1 480	856
Credits returned to Member States[d]	(4 466)	(1 483)
Other adjustments to reserves and fund balances[e]	(1 447)	—
Reserves and fund balances, beginning of period	30 841	27 858
Reserves and fund balances, end of period	**27 832**	**30 841**

Statement VII (concluded)

United Nations Mission for the Referendum in Western Sahara (MINURSO)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	486	266
Cash pool[f]	1 314	2 411
Assessed contributions receivable from Member States[b]	43 882	48 793
Accounts receivable from Member States	662	390
Other accounts receivable	222	379
Deferred charges	5	18
Inter-office transactions pending processing	2	—
Total assets	**46 573**	**52 257**
Liabilities		
Contributions or payments received in advance	3	130
Unliquidated obligations — current period	5 361	5 432
Unliquidated obligations — prior periods	484	1 371
Accounts payable to Member States	2 304	309
Other accounts payable	2 129	2 400
Inter-fund balances payable	1 474	737
Due to United Nations Peace Forces	5 500	11 000
Deferred credits	37	32
Inter-office transactions pending processing	2	5
End-of-service liabilities[e]	1 447	—
Total liabilities	**18 741**	**21 416**
Reserves and fund balances		
Cumulative surplus	29 279	30 841
Deficit — end-of-service liabilities	(1 447)	—
Total reserves and fund balances	**27 832**	**30 841**
Total liabilities and reserves and fund balances	**46 573**	**52 257**

(Footnotes on following page)

(Footnotes to Statement VII (concluded))

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind from Morocco, Algeria and the Frente Polisario amounting to $2,301,886, $437,971 and $36,000 respectively, for which budgetary provisions have been made for meals, transportation and other miscellaneous services.

[d] Under the terms of General Assembly resolution 61/290 of 29 June 2007, the total assessment on Member States was reduced by $4,466,000, comprising unencumbered balance and other income for the period ended 30 June 2006.

[e] Represents accrued liabilities for unused vacation days of $730,670 and for repatriation benefits of $716,650. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[f] Represents share of the cash pool and comprises cash and term deposits of $365,893, short-term investments of $493,058 (market value $493,058), long-term investments of $443,573 (market value $440,876) and accrued interest receivable of $11,785.

The accompanying notes are an integral part of the financial statements.

Schedule 7.1

United Nations Mission for the Referendum in Western Sahara

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	6 479	(158)	6 321	5 694	572	6 266	55
Civilian personnel	17 129	(1 596)	15 533	14 750	101	14 851	682
Operational requirements	19 011	1 754	20 765	15 897	4 688	20 585	180
Subtotal	**42 619**	—	**42 619**	**36 341**	**5 361**	**41 702**	**917**
Prorated costs							
United Nations Logistics Base	321	—	321	321	—	321	—
Support account for peacekeeping operations	1 520	—	1 520	1 519	—	1 519	1
Subtotal	**1 841**	—	**1 841**	**1 840**	—	**1 840**	**1**
Voluntary contributions in kind (budgeted)	3 316	—	3 316	2 776	—	2 776	540
Total	**47 776**	—	**47 776**	**40 957**	**5 361**	**46 318**	**1 458**

Statement VIII

United Nations Observer Mission in Georgia (UNOMIG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	34 827	36 380
Interest income	243	241
Other/miscellaneous income	148	120
Total income	**35 218**	**36 741**
Total expenditure (schedule 8.1)	**33 747**	**32 968**
Excess (shortfall) of income over expenditure	**1 471**	**3 773**
Savings on or cancellation of prior-period obligations	435	1 015
Credits returned to Member States[c]	(4 787)	(1 855)
Other adjustments to reserves and fund balances[d]	(980)	—
Reserves and fund balances, beginning of period	10 605	7 672
Reserves and fund balances, end of period	**6 744**	**10 605**

Statement VIII (concluded)

United Nations Observer Mission in Georgia (UNOMIG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	217	589
Cash pool[a]	7 355	2 113
Assessed contributions receivable from Member States[b]	6 761	12 224
Accounts receivable from Member States	3	—
Other accounts receivable	140	111
Deferred charges	83	40
Inter-office transactions pending processing	3	—
Total assets	**14 562**	**15 077**
Liabilities		
Contributions or payments received in advance	14	15
Unliquidated obligations — current period	2 567	2 768
Unliquidated obligations — prior periods	77	93
Accounts payable to Member States	2 916	670
Other accounts payable	627	607
Inter-fund balances payable	637	319
End-of-service liabilities[d]	980	—
Total liabilities	**7 818**	**4 472**
Reserves and fund balances		
Cumulative surplus	7 724	10 605
Deficit — end-of-service liabilities	(980)	—
Total reserves and fund balances	**6 744**	**10 605**
Total liabilities and reserves and fund balances	**14 562**	**15 077**

[a] See notes 2 and 3.

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/283 of 29 June 2007, the total assessment on Member States was reduced by $4,787,400, comprising unencumbered balance and other income in respect of the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $674,465 and for repatriation benefits $305,816. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $2,047,595, short-term investments of $2,759,235 (market value $2,759,235), long-term investments of $2,482,308 (market value $2,467,214) and accrued interest receivable of $65,951.

The accompanying notes are an integral part of the financial statements.

Schedule 8.1

United Nations Observer Mission in Georgia

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	4 211	—	4 211	3 930	207	4 137	74
Civilian personnel	18 253	259	18 512	17 731	146	17 877	635
Operational requirements	10 914	(259)	10 655	8 071	2 214	10 285	370
Subtotal	**33 378**	**—**	**33 378**	**29 732**	**2 567**	**32 299**	**1 079**
Prorated costs							
United Nations Logistics Base	252	—	252	252	—	252	—
Support account for peacekeeping operations	1 197	—	1 197	1 196	—	1 196	1
Subtotal	**1 449**	**—**	**1 449**	**1 448**	**—**	**1 448**	**1**
Total	**34 827**	**—**	**34 827**	**31 180**	**2 567**	**33 747**	**1 080**

Statement IX

United Nations Interim Administration Mission in Kosovo (UNMIK)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	227 400	252 552
Interest income	1 301	1 655
Other/miscellaneous income	2 015	1 890
Total income	**230 716**	**256 097**
Total expenditure (schedule 9.1)	**219 627**	**246 415**
Excess (shortfall) of income over expenditure	**11 089**	**9 682**
Prior-period adjustments	(3)	(21)
Net excess (shortfall) of income over expenditure	**11 086**	**9 661**
Savings on or cancellation of prior-period obligations	2 383	2 960
Credits returned to Member States[c]	(12 621)	(10 424)
Other adjustments to reserves and fund balances[d]	(10 382)	—
Reserves and fund balances, beginning of period	16 199	14 002
Reserves and fund balances, end of period	**6 665**	**16 199**

Statement IX (concluded)

United Nations Interim Administration Mission in Kosovo (UNMIK)

Statement of assets, liabilities, and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	71	2 954
Cash pool[e]	30 055	2 815
Assessed contributions receivable from Member States[b]	42 195	51 003
Accounts receivable from Member States	19	8
Other accounts receivable	1 103	1 270
Deferred charges	105	77
Inter-office transactions pending processing	8	—
Total assets	**73 556**	**58 127**
Liabilities		
Contributions or payments received in advance	5 741	99
Unliquidated obligations — current period	6 599	15 303
Unliquidated obligations — prior periods	1 399	7 255
Accounts payable to Member States	35 850	10 475
Other accounts payable	4 093	3 312
Inter-fund balances payable	2 814	5 448
Deferred credits	13	36
End-of-service liabilities[d]	10 382	—
Total liabilities	**66 891**	**41 928**
Reserves and fund balances		
Cumulative surplus	17 047	16 199
Deficit — end-of-service liabilities	(10 382)	—
Total reserves and fund balances	**6 665**	**16 199**
Total liabilities, reserves and fund balances	**73 556**	**58 127**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/285 of 29 June 2007, the total assessment on Member States was reduced by $12,620,800, comprising unencumbered balance and other income for the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $8,043,430 and for repatriation benefits of $2,338,120. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $8,367,139, short-term investments of $11,275,134 (market value $11,275,134), long-term investments of $10,143,521 (market value $10,081,841) and accrued interest receivable of $269,496.

The accompanying notes are an integral part of the financial statements.

Schedule 9.1

United Nations Interim Administration Mission in Kosovo
Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3 - 6)*
Military and police personnel	64 797	665	65 462	62 195	1 977	64 172	1 290
Civilian personnel	126 185	(773)	125 412	120 225	578	120 803	4 609
Operational requirements	26 980	108	27 088	21 173	4 044	25 217	1 871
Subtotal	**217 962**	**—**	**217 962**	**203 593**	**6 599**	**210 192**	**7 770**
Prorated costs							
United Nations Logistics Base	1 642	—	1 642	1 642	—	1 642	—
Support account for peacekeeping operations	7 796	—	7 796	7 793	—	7 793	3
Subtotal	**9 438**	**—**	**9 438**	**9 435**	**—**	**9 435**	**3**
Total	**227 400**	**—**	**227 400**	**213 028**	**6 599**	**219 627**	**7 773**

Statement X

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	1 138 533	1 153 893
Voluntary contributions[c]	2 858	3 245
Interest income	11 759	11 417
Other/miscellaneous income	2 196	1 974
Total income	**1 155 346**	**1 170 529**
Total expenditure (schedule 10.1)	**1 135 261**	**1 078 498**
Excess (shortfall) of income over expenditure	**20 085**	**92 031**
Prior-period adjustments	(1)	—
Net excess (shortfall) of income over expenditure	**20 084**	**92 031**
Savings on or cancellation of prior-period obligations	41 509	44 998
Credits returned to Member States[d]	(137 023)	(101 606)
Other adjustments to reserves and fund balances[e]	(8 456)	—
Reserves and fund balances, beginning of period	137 190	101 767
Reserves and fund balances, end of period	**53 304**	**137 190**

Statement X (concluded)

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	12 951	5 187
Cash pool[f]	111 451	326 632
Assessed contributions receivable from Member States b/	170 267	123 934
Accounts receivable from Member States	55	26
Other accounts receivable	7 808	9 272
Deferred charges	520	1 801
Inter-office transactions pending processing	146	442
Total assets	**303 198**	**467 294**
Liabilities		
Contributions or payments received in advance	13	789
Unliquidated obligations — current period	136 324	246 034
Unliquidated obligations — prior period	19 246	17 434
Accounts payable to Member States	67 895	32 274
Other accounts payable	10 334	23 857
Inter-fund balances payable	7 248	9 423
Deferred credits	281	198
Inter-office transactions pending processing	97	95
End-of-service liabilities[e]	8 456	-
Total liabilities	**249 894**	**330 104**
Reserves and fund balances		
Cumulative surplus	61 760	137 190
Deficit — end-of-service liabilities	(8 456)	—
Total reserves and fund balances	**53 304**	**137 190**
Total liabilities and reserves and fund balances	**303 198**	**467 294**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind received from Fondation Hirondelle for the operation of Radio Okapi, for which budgetary provisions were made.

[d] Under the terms of General Assembly resolution 61/281 of 29 June 2007, the total assessment on Member States was reduced by $137,022,500, comprising unencumbered balance and other income in respect of the period ended 30 June 2006.

[e] Represents accrued liabilities for unused vacation days of $5,421,516 and for repatriation benefits of $3,034,496. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[f] Represents share of the cash pool and comprises cash and term deposits of $31,027,109, short-term investments of $41,810,566 (market value $41,810,566), long-term investments of $37,614,306 (market value $37,385,586) and accrued interest receivable of $999,348.

The accompanying notes are an integral part of the financial statements.

Schedule 10.1

United Nations Organization Mission in the Democratic Republic of the Congo

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	465 826	(23 219)	442 607	408 742	30 781	439 523	3 084
Civilian personnel	189 104	13 919	203 023	200 061	2 958	203 019	4
Operational requirements	436 313	9 300	445 613	340 001	102 585	442 586	3 027
Subtotal	**1 091 243**	**—**	**1 091 243**	**948 804**	**136 324**	**1 085 128**	**6 115**
Prorated costs							
United Nations Logistics Base	8 230	—	8 230	8 230	—	8 230	—
Support account for peacekeeping operations	39 060	—	39 060	39 045	—	39 045	15
Subtotal	**47 290**	**—**	**47 290**	**47 275**	**—**	**47 275**	**15**
Voluntary contributions in kind (budgeted)	3 005	—	3 005	2 858	—	2 858	147
Total[a]	**1 141 538**	**—**	**1 141 538**	**998 937**	**136 324**	**1 135 261**	**6 277**

[a] In addition, voluntary contributions in kind of $36,000 were received from the United States of America for rental premises at Entebbe Airport, for which no budgetary provisions had been made.

Statement XI

United Nations Mission in Ethiopia and Eritrea (UNMEE)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	144 944	185 993
Interest income	2 466	2 114
Other/miscellaneous income	296	432
Total income	**147 706**	**188 539**
Total expenditure (schedule 11.1)	**134 175**	**165 325**
Excess (shortfall) of income over expenditure	**13 531**	**23 214**
Prior-period adjustments	(7)	(23)
Net excess (shortfall) of income over expenditure	**13 524**	**23 191**
Savings on or cancellation of prior-period obligations	4 492	12 666
Credits returned to Member States[c]	(35 857)	(32 154)
Other adjustments to reserves and fund balances[d]	(2 074)	—
Reserves and fund balances, beginning of period	35 855	32 152
Reserves and fund balances, end of period	**15 940**	**35 855**

Statement XI (concluded)

United Nations Mission in Ethiopia and Eritrea (UNMEE)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits[e]	757	1 367
Cash pool[f]	58 513	44 917
Assessed contributions receivable from Member States[b]	8 449	22 394
Accounts receivable from Member States	916	862
Other accounts receivable	6 302	3 936
Deferred charges	135	123
Inter-office transactions pending processing	16	17
Total assets	**75 088**	**73 616**
Liabilities		
Contributions or payments received in advance	9	1 557
Unliquidated obligations — current period	23 225	26 778
Unliquidated obligations — prior period	1 136	3 519
Accounts payable to Member States	29 424	3 898
Other accounts payable	1 044	888
Inter-fund balances payable	1 535	604
Deferred credits	644	514
Interoffice transactions pending processing	57	3
End-of-service liabilities[d]	2 074	—
Total liabilities	**59 148**	**37 761**
Reserves and fund balances		
Cumulative surplus	18 014	35 855
Deficit — end-of-service liabilities	(2 074)	—
Total reserves and fund balances	**15 940**	**35 855**
Total liabilities and reserves and fund balances	**75 088**	**73 616**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of the General Assembly resolution 61/248 B of 29 June 2007, the total assessment to Member States was reduced by $35,857,300, comprising the unencumbered balance and other income in respect of the financial period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $1,382,472 and for repatriation benefits of $691,687. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Includes non-convertible Eritrean nakfas equivalent to $63,573 and non-convertible Ethiopian birrs equivalent to $41,102.

[f] Represents share of the cash pool and comprises cash and term deposits of $16,289,456, short-term investments of $21,950,849 (market value $21,950,849), long-term investments of $19,747,782 (market value $19,627,702) and accrued interest receivable of $524,665.

The accompanying notes are an integral part of the financial statements.

Schedule 11.1

United Nations Mission in Ethiopia and Eritrea

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(3 - 6)*
Military and police personnel	63 102	621	63 723	54 709	7 681	62 390	1 333
Civilian personnel	25 608	(77)	25 531	23 302	259	23 561	1 970
Operational requirements	48 675	(544)	48 131	25 382	15 285	40 667	7 464
Subtotal	**137 385**	**—**	**137 385**	**103 393**	**23 225**	**126 618**	**10 767**
Prorated costs							
United Nations Logistics Base	1 316	—	1 316	1 316	—	1 316	—
Support account for peacekeeping operations	6 243	—	6 243	6 241	—	6 241	2
Subtotal	**7 559**	**—**	**7 559**	**7 557**	**—**	**7 557**	**2**
Total	**144 944**	**—**	**144 944**	**110 950**	**23 225**	**134 175**	**10 769**

Statement XII

United Nations Mission in Liberia (UNMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	745 572	760 567
Voluntary contributions[c]	53	264
Interest income	8 901	11 164
Other/miscellaneous income	4 053	2 058
Total income	**758 579**	**774 053**
Total expenditure (schedule 12.1)	**707 204**	**745 514**
Excess (shortfall) of income over expenditure	**51 375**	**28 539**
Prior-period adjustments	(8)	—
Net excess (shortfall) of income over expenditure	**51 367**	**28 539**
Savings on or cancellation of prior-period obligations	33 151	34 598
Credits returned to Member States[d]	(63 137)	(108 309)
Other adjustments to reserves and fund balances[e]	(4 821)	—
Reserves and fund balances, beginning of period	63 137	108 309
Reserves and fund balances, end of period	**79 697**	**63 137**

Statement XII (concluded)

United Nations Mission in Liberia (UNMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	3 496	4 929
Cash pool[f]	164 451	214 748
Assessed contributions receivable from Member States	63 483	57 011
Accounts receivable from Member States	—	1
Other accounts receivable	2 946	2 052
Deferred charges	394	1 120
Inter-office transactions pending processing	3	4
Total assets	**234 773**	**279 865**
Liabilities		
Contributions or payments received in advance	7 881	676
Unliquidated obligations - current period	72 371	111 146
Unliquidated obligations - prior period	4 303	26 143
Accounts payable to Member States	56 024	66 245
Other accounts payable	6 217	8 735
Inter-fund balances payable	3 426	3 760
Deferred credits	33	23
End-of-service liabilities[e]	4 821	—
Total liabilities	**155 076**	**216 728**
Reserves and fund balances		
Cumulative surplus	84 518	63 137
Deficit end-of-service liabilities	(4 821)	—
Total reserves and fund balances	**79 697**	**63 137**
Total liabilities and reserves and fund balances	**234 773**	**279 865**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contribution in kind from Germany for premises, for which budgetary provisions were made.

[d] Under the terms of the General Assembly resolution 61/286 of 29 June 2007, the total assessment to Member States was reduced by $63,137,100, comprising unencumbered balance and other income for the period ended 30 June 2006.

[e] Represents accrued liabilities for unused vacation days of $3,196,951 and for repatriation benefits of $1,624,534. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[f] Represents share of the cash pool and comprises cash and term deposits of $45,781,835, short-term investments of $61,693,290 (market value $61,693,290), long-term investments of $55,501,527 (market value $55,164,041), and accrued interest receivable of $1,474,582.

The accompanying notes are an integral part of the financial statements.

Schedule 12.1

United Nations Mission in Liberia

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	378 912	(4 684)	374 228	340 920	25 237	366 157	8 071
Civilian personnel	106 312	8 958	115 270	110 695	2 123	112 818	2 452
Operational requirements	229 389	(4 274)	225 115	152 216	45 011	197 227	27 888
Subtotal	**714 613**	—	**714 613**	**603 831**	**72 371**	**676 202**	**38 411**
Prorated costs							
United Nations Logistics Base	5 388	—	5 388	5 388	—	5 388	—
Support account for peacekeeping operations	25 571	—	25 571	25 561	—	25 561	10
Subtotal	**30 959**	—	**30 959**	**30 949**	—	**30 949**	**10**
Voluntary contributions in kind (budgeted)	264	—	264	53	—	53	211
Total	**745 836**	—	**745 836**	**634 833**	**72 371**	**707 204**	**38 632**

Statement XIII

United Nations Operation in Côte d'Ivoire (UNOCI)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	491 081	438 169
Interest income	6 516	4 776
Other/miscellaneous income	665	308
Total income	**498 262**	**443 253**
Total expenditure (schedule 13.1)	**468 955**	**401 660**
Excess (shortfall) of income over expenditure	**29 307**	**41 593**
Savings on or cancellation of prior-period obligations	9 384	10 784
Credits returned to Member States[c]	(52 377)	(57 385)
Other adjustments to reserves and fund balances[d]	(3 915)	—
Reserves and fund balances, beginning of period	52 377	57 385
Reserves and fund balances, end of period	**34 776**	**52 377**

Statement XIII (concluded)

United Nations Operation in Côte d'Ivoire (UNOCI)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	2 720	1 634
Cash pool[e]	132 449	113 636
Assessed contributions receivable from Member States[b]	24 894	41 448
Accounts receivable from Member States	183	—
Other accounts receivable	2 326	3 250
Deferred charges	741	899
Inter-office transactions pending processing	11	—
Total assets	**163 324**	**160 867**
Liabilities		
Contributions or payments received in advance	4 201	809
Unliquidated obligations — current period	58 580	75 100
Unliquidated obligations — prior periods	910	1 719
Accounts payable to Member States	53 955	23 842
Other accounts payable	4 426	3 628
Inter-fund balances payable	2 515	3 392
Deferred credits	44	—
Interoffice transactions pending processing	2	—
End-of-service liabilities[d]	3 915	—
Total liabilities	**128 548**	**108 490**
Reserves and fund balances		
Cumulative surplus	38 691	52 377
Deficit — end-of-service liabilities	(3 915)	—
Total reserves and fund balances	**34 776**	**52 377**
Total liabilities and reserves and fund balances	**163 324**	**160 867**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/247 B of 29 June 2007, the total assessment on Member States was reduced by $52,376,700, comprising unencumbered balance and other income for the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $2,734,131 and for repatriation benefits of $1,180,898. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $36,872,574, short-term investments of $49,687,619 (market value $49,687,619), long-term investments of $44,700,789 (market value $44,428,989), and accrued interest receivable of $1,187,624.

The accompanying notes are an integral part of the financial statements.

Schedule 13.1

United Nations Operation in Côte d'Ivoire

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	231 253	4 945	236 198	216 221	15 636	231 857	4 341
Civilian personnel	83 397	857	84 254	79 315	1 009	80 324	3 930
Operational requirements	158 239	(5 802)	152 437	96 653	41 935	138 588	13 849
Subtotal	**472 889**	**—**	**472 889**	**392 189**	**58 580**	**450 769**	**22 120**
Prorated costs							
United Nations Logistics Base	3 166	—	3 166	3 166	—	3 166	—
Support account for peacekeeping operations	15 026	—	15 026	15 020	—	15 020	6
Subtotal	**18 192**	**—**	**18 192**	**18 186**	**—**	**18 186**	**6**
Total	**491 081**	**—**	**491 081**	**410 375**	**58 580**	**468 955**	**22 126**

Statement XIV

United Nations Stabilization Mission in Haiti (MINUSTAH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	510 395	541 302
Interest income	5 270	5 182
Other/miscellaneous income	384	107
Total income	**516 049**	**546 591**
Total expenditure (schedule 14.1)	**505 201**	**504 450**
Excess (shortfall) of income over expenditure	**10 848**	**42 141**
Prior-period adjustments	(4)	—
Net excess (shortfall) of income over expenditure	**10 844**	**42 141**
Savings on or cancellation of prior-period obligations	28 944	9 218
Credits returned to Member States[c]	(51 358)	(6 647)
Other adjustments to reserves and fund balances[d]	(3 103)	—
Reserves and fund balances, beginning of period	51 361	6 649
Reserves and fund balances, end of period	**36 688**	**51 361**

Statement XIV (concluded)

United Nations Stabilization Mission in Haiti (MINUSTAH)[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	1 475	5 317
Cash pool[e]	71 969	128 163
Assessed contributions receivable from Member States[b]	79 451	49 912
Other accounts receivable	2 818	1 149
Deferred charges	361	467
Inter-office transactions pending processing	4	6
Total assets	**156 078**	**185 014**
Liabilities		
Contribution or payments received in advance	10	—
Unliquidated obligations — current period	69 604	97 722
Unliquidated obligations — prior periods	2 393	16 067
Accounts payable to Member States	36 052	6 033
Other accounts payable	4 219	7 313
Inter-fund balances payable	3 973	6 499
Deferred credits	35	19
Inter-office transactions pending processing	1	—
End-of-service liabilities[d]	3 103	—
Total liabilities	**119 390**	**133 653**
Reserves and fund balances		
Cumulative surplus	39 791	51 361
Deficit — end-of-service liabilities	(3 103)	—
Total reserves and fund balances	**36 688**	**51 361**
Total liabilities and reserves and fund balances	**156 078**	**185 014**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/284 of 29 June 2007, the total assessment on Member States was reduced by $51,357,900 comprising unencumbered balance and other income for the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $2,078,753 and for repatriation benefits of $1,024,221. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $20,035,686, short-term investments of $26,999,080 (market value $26,999,080), long-term investments of $24,289,354 (market value $24,141,659), and accrued interest receivable of $645,327.

The accompanying notes are an integral part of the financial statements.

Schedule 14.1

United Nations Stabilization Mission in Haiti

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	266 016	(18 142)	247 874	231 313	15 058	246 371	1 503
Civilian personnel	98 697	(2 746)	95 951	92 667	1 875	94 542	1 409
Operational requirements	124 494	20 888	145 382	90 436	52 671	143 107	2 275
Subtotal	**489 207**	**—**	**489 207**	**414 416**	**69 604**	**484 020**	**5 187**
Prorated costs							
United Nations Logistics Base	3 688	—	3 688	3 688	—	3 688	—
Support account for peacekeeping operations	17 500	—	17 500	17 493	—	17 493	7
Subtotal	**21 188**	**—**	**21 188**	**21 181**	**—**	**21 181**	**7**
Total	**510 395**	**—**	**510 395**	**435 597**	**69 604**	**505 201**	**5 194**

Statement XV

United Nations Operation in Burundi (ONUB)

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July to 31 December 2006 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[c]	131 964	307 693
Interest income	5 002	3 275
Other/miscellaneous income	406	320
Total income	**137 372**	**311 288**
Total expenditure (schedule 15.1)	**121 960**	**254 372**
Excess (shortfall) of income over expenditure	**15 412**	**56 916**
Prior-period adjustments	(2)	(2)
Net excess (shortfall) of income over expenditure	**15 410**	**56 914**
Savings on or cancellation of prior-period obligations	15 321	12 101
Credits returned to Member States[d]	(100 654)	—
Other adjustments to reserves and fund balances[e]	(932)	—
Reserves and fund balances, beginning of period	100 653	31 638
Reserves and fund balances, end of period	**29 798**	**100 653**

Statement XV (concluded)

United Nations Operation in Burundi (ONUB)[a,b]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits[f]	1 568	3 158
Cash pool[g]	107 650	117 237
Assessed contributions receivable from Member States[c]	3 429	31 128
Accounts receivable from Member States	21	26
Other accounts receivable	1 920	2 177
Deferred charges	34	158
Inter-office transactions pending processing	57	17
Total assets	**114 679**	**153 901**
Liabilities		
Contributions or payments received in advance	10 057	74
Unliquidated obligations — current period	5 961	35 098
Unliquidated obligations — prior period	2 184	14 647
Accounts payable to Member States	62 435	159
Other accounts payable	1 230	1 925
Deferred credits	10	4
Inter-fund balances payable	2 071	1 341
Inter-office transactions pending processing	1	—
End-of-service liabilities[e]	932	—
Total liabilities	**84 881**	**53 248**
Reserves and fund balances		
Cumulative surplus	30 730	100 653
Deficit end-of-service liabilities	(932)	—
Total reserves and fund balances	**29 798**	**100 653**
Total liabilities and reserves and fund balances	**114 679**	**153 901**

[a] See notes 2 and 3.

[b] The mandate of the mission ended as at 31 December 2006.

[c] Includes unpaid assessed contributions irrespective of collectability.

[d] Under the terms of General Assembly resolution 61/9 A of 31 October 2006, the total assessment on Member States was reduced by $115,500, comprising additional unencumbered balance in respect of the period ended 30 June 2004, and by $31,523,100, comprising unencumbered balance and other income in respect of the period ended 30 June 2005. Further, under the terms of General Assembly resolution 61/9 B of 29 June 2007, the total assessment on Member States was reduced by $69,015,000, comprising unencumbered balance and other income in respect of the period ended 30 June 2006.

[e] Represents accrued liabilities of $617,215 for unused vacation days and of $315,096 for repatriation benefits. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[f] Includes non-convertible Burundi Francs equivalent to $6,828.

[g] Represents share of the cash pool and comprises cash and term deposits of 29,968,984, short-term investments of $40,384,690 (market value $40,384,690), long-term investments of $36,331,536 (market value $36,110,616) and accrued interest receivable of $965,267.

The accompanying notes are an integral part of the financial statements.

Schedule 15.1

United Nations Operation in Burundi

Expenditure for the period from 1 July to 31 December 2006 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	65 865	(1 470)	64 395	57 506	2 189	59 695	4 700
Civilian personnel	37 819	58	37 877	36 167	334	36 501	1 376
Operational requirements	24 853	1 412	26 265	18 900	3 438	22 338	3 927
Subtotal	**128 537**	**—**	**128 537**	**112 573**	**5 961**	**118 534**	**10 003**
Prorated costs							
United Nations Logistics Base	596	—	596	596	—	596	—
Support account for peacekeeping operations	2 831	—	2 831	2 830	—	2 830	1
Subtotal	**3 427**	**—**	**3 427**	**3 426**	**—**	**3 426**	**1**
Total	**131 964**	**—**	**131 964**	**115 999**	**5 961**	**121 960**	**10 004**

Statement XVI

United Nations Mission in the Sudan (UNMIS)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Assessed contributions[b]	1 126 296	911 999
Funding from reserves and fund balances	—	57 470
Interest income	18 883	8 056
Other/miscellaneous income	950	2 963
Total income	**1 146 129**	**980 488**
Total expenditure (schedule 16.1)	**1 037 023**	**801 124**
Net excess (shortfall) of income over expenditure	**109 106**	**179 364**
Savings on or cancellation of prior-period obligations	50 414	15 794
Transfers from reserves and fund balances	—	(57 470)
Credits returned to Member States[c]	(195 158)	(2 804)
Other adjustments to reserves and fund balances[d]	(6 582)	—
Reserves and fund balances, beginning of period	195 157	60 273
Reserves and fund balances, end of period	**152 937**	**195 157**

Statement XVI (concluded)

United Nations Mission in the Sudan (UNMIS)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	30 383	2 175
Cash pool[c]	447 429	354 211
Assessed contributions receivable from Member States[b]	62 106	147 722
Accounts receivable from Member States	—	8
Other accounts receivable	5 681	3 704
Deferred charges	1 261	1 187
Inter-office transactions pending processing	27	37
Total assets	**546 887**	**509 044**
Liabilities		
Contributions or payments received in advance	1	71
Unliquidated obligations — current period	272 636	262 785
Unliquidated obligations — prior periods	6 014	1 066
Accounts payable to Member States	77 963	1 752
Other accounts payable	21 573	26 829
Inter-fund balances payable	9 176	21 372
Deferred credits	5	9
Inter-office transactions pending processing	—	3
End-of-service liabilities[d]	6 582	—
Total liabilities	**393 950**	**313 887**
Reserves and fund balances		
Cumulative surplus	159 519	195 157
Deficit — end-of-service liabilities	(6 582)	—
Total reserves and fund balances	**152 937**	**195 157**
Total liabilities and reserves and fund balances	**546 887**	**509 044**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/289 of 29 June 2007, the total assessment on Member States were reduced by $195,157,800, comprising unencumbered balance and other income for the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $5,285,561 and for repatriation benefits of $1,297,080. There were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $124,560,609, short-term investments of $167,851,590 (market value $167,851,590), long-term investments of $151,005,396 (market value $150,087,182) and accrued interest receivable of $4,011,958.

The accompanying notes are an integral part of the financial statements.

Schedule 16.1

United Nations Mission in the Sudan

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	317 489	(26 584)	290 905	265 502	15 464	280 966	9 939
Civilian personnel	189 934	(36 664)	153 270	151 090	1 840	152 930	340
Operational requirements	572 111	63 248	635 359	301 048	255 332	556 380	78 979
Subtotal	**1 079 534**	**—**	**1 079 534**	**717 640**	**272 636**	**990 276**	**89 258**
Prorated costs							
United Nations Logistics Base	8 138	—	8 138	8 138	—	8 138	—
Support account for peacekeeping operations	38 624	—	38 624	38 609	—	38 609	15
Subtotal	**46 762**	**—**	**46 762**	**46 747**	**—**	**46 747**	**15**
Total	**1 126 296**	**—**	**1 126 296**	**764 387**	**272 636**	**1 037 023**	**89 273**

Statement XVII

United Nations Integrated Mission in Timor-Leste (UNMIT)[a,b]

Statement of income and expenditure and reserves and fund balances for the period from 25 August 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period
	25 August 2006-30 June 2007
Income	
Assessed contributions[c]	184 820
Interest income	1 030
Other income	77
Total income	**185 927**
Total expenditure (schedule 17.1)	**146 849**
Net excess (shortfall) of income over expenditure	**39 078**
Other adjustments to reserves and fund balances[d]	(1 396)
Reserves and fund balances, end of period	**37 682**

Statement XVII (concluded)

United Nations Integrated Mission in Timor-Leste (UNMIT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007
Assets	
Cash and term deposits	3 347
Cash pool[c]	61 443
Assessed contributions receivable from Member States[c]	22 235
Accounts receivable from Member States	8
Other accounts receivable	1 267
Deferred charges	101
Inter-office transactions pending processing	4
Total assets	**88 405**
Liabilities	
Unliquidated obligations — current period	40 146
Accounts payable to Member States	714
Other accounts payable	3 183
Inter-fund balances payable	5 283
Deferred credits	1
End-of-service liabilities[d]	1 396
Total liabilities	**50 723**
Reserves and fund balances	
Cumulative surplus	39 078
Deficit — end-of-service liabilities	(1 396)
Total reserves and fund balances	**37 682**
Total liabilities and reserves and fund balances	**88 405**

[a] See notes 2 and 3.

[b] The Security Council, in resolution 1704 (2006) of 25 August 2006, established UNMIT for an initial period of six months from 25 August 2006 and, in resolution 1745 (2007) of 22 February 2007, extended the mandate of UNMIT until 26 February 2008. The Advisory Committee on Administrative and Budgetary Questions authorized commitments not exceeding $49,961,500 to meet the cost of start-up requirements of UNMIT. General Assembly resolution 61/249 A of 22 December 2006 appropriated an amount of $170,221,100 for the period of 25 August 2006 to 31 March 2007, inclusive of $49,961,500 previously authorized by the Advisory Committee. The General Assembly, in resolution 61/249 B of 2 April 2007, appropriated an amount of $184,819,900 for the period of 25 August 2006 to 30 June 2007, inclusive of the amount of $170,221,100 previously authorized.

[c] Includes unpaid assessed contributions irrespective of collectability.

[d] Represents accrued liabilities for unused vacation days of $1,093,578 and for repatriation benefits of $302,385. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $17,105,193, short-term investments of $23,050,095 (market value $23,050,095), long-term investments of $20,736,703 (market value $20,610,610) and accrued interest receivable of $550,939.

The accompanying notes are an integral part of the financial statements.

Schedule 17.1

United Nations Integrated Mission in Timor-Leste

Expenditure for the period from 25 August 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	35 321	4 256	39 577	35 909	3 001	38 910	667
Civilian personnel	37 286	2 896	40 182	28 536	2 445	30 981	9 201
Operational requirements	112 213	(7 152)	105 061	42 258	34 700	76 958	28 103
Total[a]	**184 820**	**—**	**184 820**	**106 703**	**40 146**	**146 849**	**37 971**

[a] In addition, voluntary contributions in kind were received from Australia for the rental of premises in the amount of $50,833, for which no budgetary provisions had been made.

Statement XVIII

Advance Mission to Chad and the Central African Republic[a,b]

Statement of income and expenditure and reserves and fund balances for the period from 1 March to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period
	1 March 2007 to 30 June 2007
Income	
Interest income	8
Total income	**8**
Total expenditure (schedule 18.1)	**1 114**
Excess (shortfall) of income over expenditure	**(1 106)**
Reserves and fund balances, end of period	**(1 106)**

Statement XVIII (concluded)

Advance Mission to Chad and the Central African Republic

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007
Assets	
Cash and term deposits	35
Cash pool[c]	2 408
Other accounts receivable	40
Total assets	**2 483**
Liabilities	
Unliquidated obligations — current period	450
Other accounts payable	71
Inter-fund balances payable	68
Due to United Nations Peacekeeping Reserve Fund	3 000
Total liabilities	**3 589**
Reserves and fund balances	
Deficit	(1 106)
Total reserves and fund balances	**(1 106)**
Total liabilities and reserves and fund balances	**2 483**

[a] See notes 2 and 3.

[b] On 16 January 2007, the Security Council requested the Secretary-General to deploy an advance mission to Chad and the Central African Republic in order to accelerate preparations for an early decision on the possible deployment of a multinational United Nations presence. Thereafter, on 7 March 2007, the Advisory Committee on Administrative and Budgetary Questions authorized commitments up to $46,942,300 for the period from 1 March to 30 June 2007, in order to meet the most urgent requirements of the advance mission. On 25 September 2007, the Security Council approved the establishment in Chad and the Central African Republic of a multidimensional presence, which should include a United Nations Mission in the Central African Republic and Chad (MINURCAT).

[c] Represents share of the cash pool and comprises cash and term deposits of $670,442, short-term investments of $903,453 (market value $903,453), long-term investments of $812,780 (market value $807,837) and accrued interest receivable of $21,594.

The accompanying notes are an integral part of the financial statements.

Schedule 18.1

Advance Mission to Chad and the Central African Republic

Expenditure for the period from 1 March 2007 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Commitment authority			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	1 220	3	1 223	45	180	225	998
Civilian personnel	6 185	(475)	5 710	7	—	7	5 703
Operational requirements	39 537	472	40 009	612	270	882	39 127
Total	**46 942**	**—**	**46 942**	**664**	**450**	**1 114**	**45 828**

Statement XIX

Technical Assessment Mission to the African Union Headquarters and Somalia[a,b]

Statement of income and expenditure and reserves and fund balances for the period from 1 May to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period
	1 May 2007 to 30 June 2007
Income	—
Total income	—
Total expenditure (schedule 19.1)	**45**
Excess (shortfall) of income over expenditure	**(45)**
Reserves and fund balances, end of period	**(45)**

Statement XIX (concluded)

Technical Assessment Mission to the African Union Headquarters and Somalia

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007
Assets	—
Total assets	—
Liabilities	
Unliquidated obligations — current period	13
Other accounts payable	3
Inter-fund balances payable	29
Total liabilities	**45**
Reserves and fund balances	
Deficit	(45)
Total reserves and fund balances	**(45)**
Total liabilities and reserves and fund balances	—

[a] See notes 2 and 3.

[b] On 20 February 2007, the Security Council authorized member States of the African Union to establish a mission in Somalia for a period of six months and requested the Secretary-General to send a technical assessment mission to the African Union Headquarters and Somalia to report on the political and security situation and the possibility of a United Nations peacekeeping operation following the African Union deployment. Thereafter, on 27 April 2007, the Advisory Committee on Administrative and Budgetary Questions authorized commitments of up to $2,400,000 for the period from 1 May to 31 December 2007, to meet the most immediate and essential requirements related to a possible United Nations peacekeeping operation in Somalia. On 20 August 2007, the Security Council authorized member States of the African Union to maintain a mission in Somalia for a further period of six months.

The accompanying notes are an integral part of the financial statements.

Schedule 19.1

Technical Assessment Mission to the African Union Headquarters and Somalia
Expenditure for the period from 1 May to 30 June 2007 as at 30 June 2007
(Thousands of United States dollars)

	Commitment authority[a]			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Operational requirements	484	—	484	32	13	45	439
Total	**484**	**—**	**484**	**32**	**13**	**45**	**439**

[a] Commitment authority of $2,400,000 authorized for the period from 1 May to 31 December 2007. The most immediate and essential requirements for the period from 1 May to 30 June 2007 have been estimated at $484,100.

Statement XX

United Nations Peacekeeping Reserve Fund[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Interest income	6 886	5 084
Total income	**6 886**	**5 084**
Total expenditure	**1**	**1**
Net excess (shortfall) of income over expenditure	**6 885**	**5 083**
Transfer to other funds[b]	(2 014)	(13 790)
Reserves and fund balances, beginning of period	157 097	165 804
Reserves and fund balances, end of period	**161 968**	**157 097**

Statement XX (concluded)

United Nations Peacekeeping Reserve Fund

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	49	33
Cash pool[c]	148 103	144 219
Assessed contributions receivable from Member States[d]	10	25
Due from the United Nations Mission in the Central African Republic	12 820	12 820
Due from the Advance Mission to Chad and the Central African Republic	3 000	—
Total assets	**163 982**	**157 097**
Liabilities		
Inter-fund balances payable	2 014	—
Total liabilities	**2 014**	—
Reserves and fund balances		
Working capital funds	150 000	150 000
Cumulative surplus[e]	11 968	7 097
Total reserves and fund balances	**161 968**	**157 097**
Total liabilities and reserves and fund balances	**163 982**	**157 097**

[a] See notes 2 and 3.

[b] Under the terms of General Assembly resolutions 60/268 and 61/279 of 30 June 2006 and 29 June 2007, respectively, the excess balance of $2,014,000 for the period ending 30 June 2005 was applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2006 to 30 June 2007.

[c] Represents share of the cash pool and comprises cash and term deposits of $41,230,518, short-term investments of $55,560,166 (market value $55,560,166), long-term investments of $49,983,946 (market value $49,680,010) and accrued interest receivable of $1,327,989.

[d] Contributions assessed on Member States that joined the United Nations subsequent to the adoption of General Assembly resolution 47/217 of 23 December 1992 establishing the Peacekeeping Reserve Fund.

[e] Under the terms of General Assembly resolution 61/279 of 29 June 2007, the amount in excess of the authorized level of the fund will be applied to meet the requirements of the support account for peacekeeping operations for the financial period from 1 July 2007 to 30 June 2008. This will be further considered by the General Assembly at its sixty-second session.

The accompanying notes are an integral part of the financial statements.

Statement XXI

Support account for Peacekeeping Operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period	
	1 July 2006-30 June 2007	*1 July 2005-30 June 2006*
Income		
Funding from other funds[b]	2 014	13 790
Allocation from other funds[c]	161 676	130 397
Funding from reserves and fund balances[d]	5 707	2 748
Interest income	2 716	1 931
Other/miscellaneous income	116	101
Total income	**172 229**	**148 967**
Total expenditure (schedule 21.1)	**177 695**	**135 988**
Excess (shortfall) of income over expenditure	**(5 466)**	**12 979**
Prior-period adjustments[e]	(2 642)	—
Net excess (shortfall) of income over expenditure	**(8 108)**	**12 979**
Savings on or cancellation of prior-period obligations	1 569	1 398
Transfers from reserves and fund balances[d]	(5 707)	(2 748)
Other adjustments to reserves and fund balances[f]	(15 824)	—
Reserves and fund balances, beginning of period	22 222	10 593
Reserves and fund balances, end of period	**(5 848)**	**22 222**

Statement XXI (concluded)

Support account for Peacekeeping Operations

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	33	34
Cash pool[g]	41 994	34 179
Accounts receivable from Member States	13	1
Other accounts receivable	862	623
Deferred charges	1 168	998
Total assets	**44 070**	**35 835**
Liabilities		
Unliquidated obligations — current period	11 679	5 262
Unliquidated obligations — prior period	7	—
Other accounts payable	6 752	2 200
Inter-fund balances payable	15 656	6 151
End-of-service liabilities[f]	15 824	—
Total liabilities	**49 918**	**13 613**
Reserves and fund balances		
Cumulative surplus	9 976	22 222
Deficit — end-of-service liabilities	(15 824)	—
Total reserves and fund balances	**(5 848)**	**22 222**
Total liabilities and reserves and fund balances	**44 070**	**35 835**

[a] See notes 2 and 3.

[b] Under the terms of the General Assembly resolutions 60/268 and 61/279 of 30 June 2006 and 29 June 2007, respectively, an amount of $2,014,000 in excess of the authorized level of the Peacekeeping Reserve Fund in respect of the period ended 30 June 2005 is applied to the resources required for the period from 1 July 2006 to 30 June 2007.

[c] Under the terms of the General Assembly resolution 60/268 of 30 June 2006, an amount of $161,676,300 is prorated among the active peacekeeping operations in order to partially meet the resources required for the period from 1 July 2006 to 30 June 2007.

[d] Under the terms of General Assembly resolution 60/268 of 30 June 2006, an amount of $5,706,700 in respect of the unencumbered balance and other income for the period ended 30 June 2005 is applied to meet the resources required for the period from 1 July 2006 to 30 June 2007.

[e] Represents share of after-service health insurance costs of $2,642,305 for the prior period from 1 January to 30 June 2006.

[f] Represents accrued liabilities for unused vacation days of $9,071,103 and for repatriation benefits of $6,752,776. These were previously disclosed in the notes and are now reflected in the financial statements as liabilities. See note 14.

[g] Represents share of the cash pool and comprises cash and term deposits of $11,690,757 short-term investments of $15,753,875 (market value $15,753,875), long-term investments of $14,172,759 (market value $14,086,579) and accrued interest receivable of $376,546.

The accompanying notes are an integral part of the financial statements.

Schedule 21.1

Support account for Peacekeeping Operations

Expenditure for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3 - 6)*
Civilian personnel	110 171	6 412	116 583	112 226	846	113 072	3 511
Operational requirements	78 846	(6 412)	72 434	53 790	10 833	64 623	7 811
Total	**189 017**	**—**	**189 017**	**166 016**	**11 679**	**177 695**	**11 322**

[a] Represents $183,187,000 appropriated under General Assembly resolution 60/268 of 30 June 2006, and commitment authorities and additional resources of $706,600, $880,300, $1,756,600 and $2,486,900 under General Assembly resolutions 60/283 of 7 July 2006, 61/244 of 22 December 2006, 61/246 of 22 December 2006 and 61/250 of 22 December 2006, respectively.

Statement XXII

United Nations Logistics Base (UNLB) at Brindisi, Italy[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Strategic deployment stock activities	*Other UNLB activities*	*2007 total*	*2006 total*
Income				
Allocation from other funds[b]	—	34 080	34 080	29 072
Funding from reserves and fund balances	21 911	1 399[c]	23 310	41 503
Interest income	—	2 045	2 045	1 419
Other/miscellaneous income	66 278[d]	262	66 540	31 114
Total income	**88 189**	**37 786**	**125 975**	**103 108**
Total expenditure (schedule 22.1)	**37 218**	**32 929**	**70 147**	**75 358**
Excess (shortfall) of income over expenditure	**50 971**	**4 857**	**55 828**	**27 750**
Prior-period adjustments	—	—	—	(3 284)
Net excess (shortfall) of income over expenditure	**50 971**	**4 857**	**55 828**	**24 466**
Savings on or cancellation of prior-period obligations	4 218	675	4 893	2 406
Transfers from reserves and fund balances	(21 911)	(1 399)[e]	(23 310)	(41 503)
Other adjustments to reserves and fund balances	—	(2 082)[g]	(2 082)	—
Reserves and fund balances, beginning of period	21 911[f]	8 913	30 824	45 455
Reserves and fund balances, end of period	**55 189**	**10 964**	**66 153**	**30 824**

Statement XXII (concluded)

United Nations Logistics Base (UNLB) at Brindisi, Italy[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	604	979
Cash pool[g]	28 054	29 074
Assessed contributions receivable from Member States[h]	13 582	13 582
Other accounts receivable[i]	28 398	1 878
Inter-fund balances receivable	34 881	27 438
Deferred charges	172	31
Inter-office transactions pending processing	27	9
Total assets	**105 718**	**72 991**
Liabilities		
Unliquidated obligations — current period	32 542	36 857
Other accounts payable	4 941	5 310
End-of-service liabilities[e]	2 082	—
Total liabilities	**39 565**	**42 167**
Reserves and fund balances		
Cumulative surplus — strategic deployment stock activities	55 189	21 911
Cumulative surplus — other UNLB activities	13 046	8 913
Deficit — end-of-service liabilities	(2 082)	—
Total reserves and fund balances	**66 153**	**30 824**
Total liabilities and reserves and fund balances	**105 718**	**72 991**

[a] See notes 2 and 3.

[b] In accordance with General Assembly resolution 60/267 of 30 June 2006, part of the cost estimates amounting to $34,079,500 are allocated on a prorated basis among the individual active peacekeeping missions.

[c] Under the terms of General Assembly resolution 60/267 an amount of $1,399,200 in respect of the unencumbered balance and other income for the period ended 30 June 2005 is applied to meet the resources required for the period from 1 July 2006 to 30 June 2007.

[d] Represents shipments of strategic deployment stocks at replacement values to peacekeeping and political missions, and to other entities, thereby generating funds for replenishment.

[e] Represents accrued liabilities for unused vacation days of $1,673,036 and for repatriation benefits of $408,477. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities See note 14.

[f] See note 11.

[g] Represents share of the cash pool and comprises cash and term deposits of $7,809,953, short-term investments of $10,524,297 (market value $10,524,297), long-term investments of $9,468,040 (market value $9,410,468) and accrued interest receivable of $251,550.

[h] Includes unpaid assessed contributions irrespective of collectability.

[i] Includes $28,031,775 resulting from shipments of strategic deployment stocks, which will be settled in a subsequent period.

The accompanying notes are an integral part of the financial statements.

Schedule 22.1

United Nations Logistics Base (UNLB) at Brindisi, Italy

Expenditure for the period 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Appropriation[a]			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Strategic deployment stock activities							
Replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions	88 188	—	88 188	11 750	25 468	37 218	50 970
Subtotal	**88 188**	**—**	**88 188**	**11 750**	**25 468**	**37 218**	**50 970**
Other UNLB activities		—					
Civilian personnel	17 380	(331)	17 049	15 187	47	15 234	1 815
Operational requirements	18 099	331	18 430	10 668	7 027	17 695	735
Subtotal	**35 479**	**—**	**35 479**	**25 855**	**7 074**	**32 929**	**2 550**
Total	**123 667**	**—**	**123 667**	**37 605**	**32 542**	**70 147**	**53 520**

[a] Appropriations do not apply to strategic deployment stock activities. Instead strategic deployment stocks are replenished as a result of transfers to peacekeeping and political missions, and to other entities.

Statement XXIII

Peacekeeping after-service health insurance[a]

Statement of income and expenditure and reserves and fund balances for the period from 1 July 2006 to 30 June 2007 as at 30 June 2007

(Thousands of United States dollars)

	Period
	1 July 2006-30 June 2007
Income	—
Total income	—
Total expenditure	—
Excess (shortfall) of income over expenditure	—
Other adjustments to reserves and fund balances[b]	(389 000)
Reserves and fund balances, end of period	**(389 000)**

Statement XXIII (concluded)

Peacekeeping after-service health insurance

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007
Assets	
Total assets	—
Liabilities	
Post-retirement liabilities[b]	389 000
Total liabilities	**389 000**
Reserves and fund balances	
Deficit — post-retirement liabilities	(389 000)
Total reserves and fund balances	**(389 000)**
Total liabilities and reserves and fund balances	—

[a] See notes 2 and 3.
[b] See note 14.

The accompanying notes are an integral part of the financial statements.

Statement XXIV

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 13 July 1998 to 31 December 2005 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	13 July 1998 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	3 057 562	—	113 216
Voluntary contributions	3 391	—	—
Interest income	50 581	9 974	7 956
Other/miscellaneous income	11 267	821	2 711
Total income	**3 122 801**	**10 795**	**123 883**
Total expenditure	**2 915 326**	**—**	**91 814**
Excess (shortfall) of income over expenditure	**207 475**	**10 795**	**32 069**
Prior-period adjustments[c]	(324)	(422)	(11)
Net excess (shortfall) of income over expenditure	**207 151**	**10 373**	**32 058**
Savings on or cancellation of prior-period obligations	214 503	2 029	109 462
Credits returned to Member States[d]	(277 812)	(141 520)	(99 288)
Other adjustments to reserves and fund balances[e]	—	(51)	—
Reserves and fund balances, beginning period	—	143 842	101 610
Reserves and fund balances, end of period	**143 842**	**14 673**	**143 842**

Statement XXIV (concluded)

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	133	1 059
Cash pool[f]	188 552	204 010
Assessed contributions receivable from Member States[b]	7 326	14 787
Accounts receivable from Member States	14	14
Other accounts receivable	823	2 667
Inter-fund balances receivable	343	—
Deferred charges	6	13
Inter-office transactions pending processing	24	13
Total assets	**197 221**	**222 563**
Liabilities		
Contributions or payments received in advance	59	—
Unliquidated obligations — current period	—	2 322
Unliquidated obligations — prior periods	1 344	3 984
Accounts payable to Member States	180 637	70 902
Other accounts payable	405	468
Inter-fund balances payable	—	1 033
Deferred credits	3	4
Inter-office transactions pending processing	49	8
End-of-service liabilities[e]	51	—
Total liabilities	**182 548**	**78 721**
Reserves and fund balances		
Cumulative surplus	14 724	143 842
Deficit — end-of-service liabilities	(51)	—
Total reserves and fund balances	**14 673**	**143 842**
Total liabilities and reserves and fund balances	**197 221**	**222 563**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period expenditures for death and disability benefits of $175,650, for contingent-owned equipment charges of $158,527, for staff costs of $71,990 and for miscellaneous charges of $16,139.

[d] Under the terms of the General Assembly resolution 61/288 of 29 June 2007, Member States were credited with $141,519,600, comprising unencumbered balance and other income in respect of the financial period ended 30 June 2006.

[e] Represents accrued liabilities for unused vacation days of $35,936 and for repatriation benefits of $14,595. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[f] Represents share of the cash pool and comprises cash and term deposits of $52,491,148, short-term investments of $70,734,422 (market value $70,734,422), long-term investments of $63,635,259 (market value $63,248,314) and accrued interest receivable of $1,690,681.

The accompanying notes are an integral part of the financial statements.

Statement XXV

United Nations Transitional Administration in East Timor (UNTAET)/United Nations Mission of Support in East Timor (UNMISET)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 December 1999 to 20 May 2005 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 December 1999 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	1 999 127	—	1 758
Voluntary contributions	300	—	—
Interest income	24 718	900	716
Other income	9 429	31	1 046
Total income	**2 033 574**	**931**	**3 520**
Total expenditure	**1 884 556**	**—**	**1 715**
Excess (shortfall) of income over expenditure	**149 018**	**931**	**1 805**
Prior-period adjustments	(283)	(17)	(224)
Net excess (shortfall) of income over expenditure	**148 735**	**914**	**1 581**
Savings on or cancellation of prior-period obligations	79 194	2 583	30 255
Credits returned to Member States[c]	(193 590)	(31 836)	(16 776)
Other adjustments to reserves and fund balances[d]	—	(23)	—
Reserves and fund balances, beginning of period	—	34 339	19 279
Reserves and fund balances, end of period	**34 339**	**5 977**	**34 339**

Statement XXV (concluded)

United Nations Transitional Administration in East Timor (UNTAET)/United Nations Mission of Support in East Timor (UNMISET)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	40	400
Cash pool[c]	15 760	19 420
Assessed contributions receivable from Member States[b]	24 985	36 751
Accounts receivable from Member States	339	380
Other accounts receivable	61	122
Total assets	**41 185**	**57 073**
Liabilities		
Contributions or payments received in advance	1 725	1 700
Unliquidated obligations — current period	—	61
Unliquidated obligations — prior period	1 035	3 557
Accounts payable to Member States	31 584	15 144
Other accounts payable	40	120
Inter-fund balances payable	796	2 137
Deferred credits	5	12
Inter-office transactions pending processing	—	3
End-of-service liabilities[d]	23	—
Total liabilities	**35 208**	**22 734**
Reserves and fund balances		
Cumulative surplus	6 000	34 339
Deficit — end-of-service liabilities	(23)	—
Total reserves and fund balances	**5 977**	**34 339**
Total liabilities and reserves and fund balances	**41 185**	**57 073**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly resolution 61/282 of 29 June 2007, Member States were credited with $31,835,900, comprising unencumbered balance and other income for the period ended 30 June 2006.

[d] Represents accrued liabilities for unused vacation days of $3,979 and for repatriation benefits of $18,800. These were previously disclosed in the notes, and are now reflected in the financial statements as liabilities. See note 14.

[e] Represents share of the cash pool and comprises cash and term deposits of $4,387,443, short-term investments of $5,912,296 (market value $5,912,296), long-term investments of $5,318,917 (market value $5,286,574) and accrued interest receivable of $141,315.

The accompanying notes are an integral part of the financial statements.

Statement XXVI

United Nations Iraq-Kuwait Observation Mission (UNIKOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 April 1991 to 31 October 2003 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	9 April 1991 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	373 899	—	—
Voluntary contributions	339 827	—	—
Interest income	24 492	914	1 480
Other/miscellaneous income	7 070	9	3
Total income	**745 288**	**923**	**1 483**
Total expenditure	**647 152**	—	—
Excess (shortfall) of income over expenditure	**98 136**	**923**	**1 483**
Prior-period adjustments	(614)	(5)	(53)
Net excess (shortfall) of income over expenditure	**97 522**	**918**	**1 430**
Savings on or cancellation of prior-period obligations	23 512	—	143
Credits returned to Member States[c]	(114 699)	(3 701)	(41 767)
Reserves and fund balances, beginning of period	—	6 335	46 529
Reserves and fund balances, end of period	**6 335**	**3 552**	**6 335**

Statement XXVI (concluded)

United Nations Iraq-Kuwait Observation Mission (UNIKOM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	8	30
Cash pool[d]	13 626	44 363
Assessed contributions receivable from Member States[b]	689	782
Accounts receivable from Member States	1	1
Inter-fund balances receivable	6	—
Total assets	**14 330**	**45 176**
Liabilities		
Contributions or payments received in advance	21	—
Accounts payable to Member States	10 559	38 622
Other accounts payable	198	198
Inter-fund balances payable	—	21
Total liabilities	**10 778**	**38 841**
Reserves and fund balances		
Cumulative surplus	3 552	6 335
Total reserves and fund balances	**3 552**	**6 335**
Total liabilities and reserves and fund balances	**14 330**	**45 176**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly decision 61/557 of 29 June 2007, two thirds of the cash balance available as at 30 June 2006 in the amount of $3,701,300 was returned to Kuwait in respect of its voluntary contribution.

[d] Represents net share of the cash pool and comprises cash and term deposits of $3,793,251, short-term investments of $5,111,593 (market value $5,111,593), long-term investments of $4,598,575 (market value $4,570,612) and accrued interest receivable of $122,176.

The accompanying notes are an integral part of the financial statements.

Statement XXVII

United Nations Mission in Bosnia and Herzegovina (UNMIBH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 30 June 2003 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	1 127 149	—	—
Voluntary contributions	158	—	—
Interest income	18 190	961	662
Other/miscellaneous income	20 121	101	197
Total income	**1 165 618**	**1 062**	**859**
Total expenditure	**986 685**	—	—
Excess (shortfall) of income over expenditure	**178 933**	**1 062**	**859**
Prior-period adjustments	(928)	(40)	(12)
Net excess (shortfall) of income over expenditure	**178 005**	**1 022**	**847**
Savings on or cancellation of prior-period obligations	26 016	289	9
Credits returned to Member States	(156 864)	—	—
Reserves and fund balances, beginning of period	—	47 157	46 301
Reserves and fund balances, end of period	**47 157**	**48 468**	**47 157**

Statement XXVII (concluded)

United Nations Mission in Bosnia and Herzegovina (UNMIBH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	9	51
Cash pool[c]	19 815	18 856
Assessed contributions receivable from Member States[b]	35 250	35 488
Accounts receivable from Member States	6	11
Inter-fund balances receivable	31	—
Total assets	**55 111**	**54 406**
Liabilities		
Contributions or payments received in advance	81	64
Unliquidated obligations — prior periods	—	116
Accounts payable to Member States	6 486	6 513
Other accounts payable	76	332
Inter-fund balances payable	—	224
Total liabilities	**6 643**	**7 249**
Reserves and fund balances		
Authorized retained surplus[d]	7 182	7 182
Cumulative surplus	41 286	39 975
Total reserves and fund balances	**48 468**	**47 157**
Total liabilities and reserves and fund balances	**55 111**	**54 406**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $5,516,419, short-term investments of $7,433,648 (market value $7,433,648), long-term investments of $6,687,580 (market value $6,646,915) and accrued interest receivable of $117,678.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXVIII

United Nations Mission of Observers in Tajikistan (UNMOT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 16 December 1994 to 15 May 2000 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	16 December 1994 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	72 145	—	—
Voluntary contributions	2 057	—	—
Interest income	3 840	250	167
Other/miscellaneous income	796	—	5
Total income	**78 838**	**250**	**172**
Total expenditure	**59 414**	—	—
Excess (shortfall) of income over expenditure	**19 424**	**250**	**172**
Prior-period adjustments	(996)	(1)	(1)
Net excess (shortfall) of income over expenditure	**18 428**	**249**	**171**
Savings on or cancellation of prior-period obligations	4 601	—	—
Credits returned to Member States	(20 556)	—	—
Reserves and fund balances, beginning of period	—	2 473	2 302
Reserves and fund balances, end of period	**2 473**	**2 722**	**2 473**

Statement XXVIII (concluded)

United Nations Mission of Observers in Tajikistan (UNMOT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	12	12
Cash pool[c]	5 097	4 897
Assessed contributions receivable from Member States[b]	12	22
Inter-fund balances receivable	8	—
Total assets	**5 129**	**4 931**
Liabilities		
Accounts payable to Member States	2 407	2 415
Inter-fund balances payable	—	43
Total liabilities	**2 407**	**2 458**
Reserves and fund balances		
Cumulative surplus	2 722	2 473
Total reserves and fund balances	**2 722**	**2 473**
Total liabilities and reserves and fund balances	**5 129**	**4 931**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,418,853, short-term investments of $1,911,975 (market value $1,911,975), long-term investments of $1,720,082 (market value $1,709,623), and accrued interest receivable of $45,700.

The accompanying notes are an integral part of the financial statements.

Statement XXIX

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1996 to 15 March 2000 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 July 1996 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	133 035	—	—
Voluntary contributions	4 766	—	—
Interest income	3 624	101	70
Other/miscellaneous income	3 914	29	—
Total income	**145 339**	**130**	**70**
Total expenditure	**123 566**	**—**	**—**
Excess (shortfall) of income over expenditure	**21 773**	**130**	**70**
Prior-period adjustments	(268)	(6)	(3)
Net excess (shortfall) of income over expenditure	**21 505**	**124**	**67**
Savings on or cancellation of prior-period obligations	4 630	—	—
Credits returned to Member States	(14 127)	—	—
Reserves and fund balances, beginning of period	—	12 008	11 941
Reserves and fund balances, end of period	**12 008**	**12 132**	**12 008**

Statement XXIX (concluded)

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	50	14
Cash pool[c]	2 037	1 987
Assessed contributions receivable from Member States[b]	19 426	19 449
Accounts receivable from Member States	50	50
Inter-fund balances receivable	49	—
Total assets	**21 612**	**21 500**
Liabilities		
Accounts payable to Member States	114	114
Inter-fund balances payable	—	12
Due to United Nations Mission in Haiti	9 366	9 366
Total liabilities	**9 480**	**9 492**
Reserves and fund balances		
Authorized retained surplus[d]	11 186	11 186
Cumulative surplus	946	822
Total reserves and fund balances	**12 132**	**12 008**
Total liabilities and reserves and fund balances	**21 612**	**21 500**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $567,220, short-term investments of $764,357 (market value $764,357), long-term investments of $687,643 (market value $683,462), and accrued interest receivable of $18,269.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXX

United Nations Mission in the Central African Republic (MINURCA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 April 1998 to 15 February 2000 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	15 April 1998 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	123 075	—	—
Voluntary contributions	4 527	—	—
Interest income	972	3	3
Other/miscellaneous income	765	—	—
Total income	**129 339**	**3**	**3**
Total expenditure	**121 423**	**—**	**—**
Excess (shortfall) of income over expenditure	**7 916**	**3**	**3**
Prior-period adjustments	(142)	(1)	(26)
Net excess (shortfall) of income over expenditure	**7 774**	**2**	**(23)**
Savings on or cancellation of prior-period obligations	10 237	—	—
Credits returned to Member States	(6 284)	—	—
Reserves and fund balances, beginning of period	—	11 727	11 750
Reserves and fund balances, end of period	**11 727**	**11 729**	**11 727**

Statement XXX (concluded)

United Nations Mission in the Central African Republic (MINURCA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	23	20
Cash pool[c]	32	30
Assessed contributions receivable from Member States[b]	35 566	35 580
Total assets	**35 621**	**35 630**
Liabilities		
Accounts payable to Member States	7 480	7 481
Inter-fund balances payable	142	152
Due to United Nations Peacekeeping Reserve Fund	12 820	12 820
Due to United Nations Mission in Haiti	3 200	3 200
Due to United Nations Peace Forces	250	250
Total liabilities	**23 892**	**23 903**
Reserves and fund balances		
Authorized retained surplus[d]	6 236	6 236
Cumulative surplus	5 493	5 491
Total reserves and fund balances	**11 729**	**11 727**
Total liabilities and reserves and fund balances	**35 621**	**35 630**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $8,773, short-term investments of $11,822 (market value $11,822), long-term investments of $10,636 (market value $10,571) and accrued interest receivable of $282.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXXI

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 3 January 1989 to 26 February 1999 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	3 January 1989 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	1 267 792	—	—
Funding from reserves and fund balances	12 458	—	—
Interest income	38 567	1 559	1 097
Other/miscellaneous income	31 405	10	689
Total income	**1 350 222**	**1 569**	**1 786**
Total expenditure[c]	**1 203 370**	**2 422**	**11**
Excess (shortfall) of income over expenditure	**146 852**	**(853)**	**1 775**
Prior-period adjustments[d]	(24 204)	(339)	(2 133)
Net excess (shortfall) of income over expenditure	**122 648**	**(1 192)**	**(358)**
Savings on or cancellation of prior-period obligations	51 534	5	—
Credits returned to Member States	(95 681)	—	—
Transfer from reserves and fund balances	(12 458)	—	—
Reserves and fund balances, beginning of period	—	66 043	66 401
Reserves and fund balances, end of period	**66 043**	**64 856**	**66 043**

Statement XXXI (concluded)

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	16	2
Cash pool[e]	30 689	32 232
Assessed contributions receivable from Member States[b]	35 356	35 844
Accounts receivable from Member States	8 106	8 120
Other accounts receivable	434	481
Inter-fund balances receivable	262	—
Total assets	**74 863**	**76 679**
Liabilities		
Unliquidated obligations — current period	1 687	5
Accounts payable to Member States	8 320	8 320
Other accounts payable	—	7
Inter-fund balances payable	—	2 287
Inter-office transactions pending processing	—	17
Total liabilities	**10 007**	**10 636**
Reserves and fund balances		
Cumulative surplus	64 856	66 043
Total reserves and fund balances	**64 856**	**66 043**
Total liabilities and reserves and fund balances	**74 863**	**76 679**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Expenditures related to follow-up costs arising in the current period from the United Nations aircraft crashes in Angola in 1998 and 1999.

[d] Represents prior-period inter-agency expenditure of $296,836, write-off of uncollectible other accounts receivable of $41,640 and miscellaneous charges of $415.

[e] Represents share of the cash pool and comprises cash and term deposits of $8,543,580, short-term investments of $11,512,898 (market value $11,512,898), long-term investments of $10,357,422 (market value $10,294,442) and accrued interest receivable of $275,179.

The accompanying notes are an integral part of the financial statements.

Statement XXXII

United Nations Preventive Deployment Force (UNPREDEP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 15 October 1999 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	166 563	—	—
Voluntary contributions	2	—	—
Funding from reserves and fund balances	904	—	—
Interest income	19 798	838	561
Other/miscellaneous income	3 984	—	—
Total income	**191 251**	**838**	**561**
Total expenditure	**152 276**	—	—
Excess (shortfall) of income over expenditure	**38 975**	**838**	**561**
Prior-period adjustments	(234)	(1)	(1)
Net excess (shortfall) of income over expenditure	**38 741**	**837**	**560**
Savings on or cancellation of prior-period obligations	10 788	—	—
Credits returned to Member States	(38 489)	—	—
Transfer from reserves and fund balances	(904)	—	—
Reserves and fund balances, beginning of period	—	10 136	9 576
Reserves and fund balances, end of period	**10 136**	**10 973**	**10 136**

Statement XXXII (concluded)

United Nations Preventive Deployment Force (UNPREDEP)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	42	23
Cash pool[c]	17 166	16 430
Assessed contributions receivable from Member States[b]	1 273	1 306
Inter-fund balances receivable	4	—
Total assets	**18 485**	**17 759**
Liabilities		
Accounts payable to Member States	7 512	7 530
Inter-fund balances payable	—	93
Total liabilities	**7 512**	**7 623**
Reserves and fund balances		
Cumulative surplus	10 973	10 136
Total reserves and fund balances	**10 973**	**10 136**
Total liabilities and reserves and fund balances	**18 485**	**17 759**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $4,779,000, short-term investments of $6,439,939 (market value $6,439,939), long-term investments of $5,793,603 (market value $5,758,374) and accrued interest receivable of $153,926.

The accompanying notes are an integral part of the financial statements.

Statement XXXIII

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 January 1996 to 30 November 1998 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	15 January 1996 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	517 546	—	—
Voluntary contributions	298	—	—
Interest income	30 371	1 097	790
Other/miscellaneous income	4 158	10	—
Total income	**552 373**	**1 107**	**790**
Total expenditure	**461 345**	**—**	**—**
Excess (shortfall) of income over expenditure	**91 028**	**1 107**	**790**
Prior-period adjustments[c]	(3 575)	(298)	(2 158)
Net excess (shortfall) of income over expenditure	**87 453**	**809**	**(1 368)**
Savings on or cancellation of prior-period obligations	32 771	—	—
Credits returned to Member States	(99 234)	—	—
Reserves and fund balances, beginning of period	—	20 990	22 358
Reserves and fund balances, end of period	**20 990**	**21 799**	**20 990**

Statement XXXIII (concluded)

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	30	4
Cash pool[d]	21 608	23 213
Assessed contributions receivable from Member States[b]	8 850	8 972
Inter-fund balances receivable	122	—
Total assets	**30 610**	**32 189**
Liabilities		
Accounts payable to Member States	8 811	8 854
Inter-fund balances payable	—	2 345
Total liabilities	**8 811**	**11 199**
Reserves and fund balances		
Cumulative surplus	21 799	20 990
Total reserves and fund balances	**21 799**	**20 990**
Total liabilities and reserves and fund balances	**30 610**	**32 189**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period inter-agency expenditures of $296,836 and bank charges of $842.

[d] Represents share of the cash pool and comprises cash and term deposits of $6,015,664 short-term investments of $8,106,405 (market value $8,106,405), long-term investments of $7,292,817 (market value $7,248,471) and accrued interest receivable of $193,758.

The accompanying notes are an integral part of the financial statements.

Statement XXXIV

United Nations Observer Mission in Liberia (UNOMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 September 1993 to 30 June 1998 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	22 September 1993 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	141 984	—	—
Interest income	5 040	379	268
Other/miscellaneous income	1 237	—	—
Total income	**148 261**	**379**	**268**
Total expenditure	**97 401**	**—**	**—**
Excess (shortfall) of income over expenditure	**50 860**	**379**	**268**
Prior-period adjustments[c]	(713)	(73)	(538)
Net excess (shortfall) of income over expenditure	**50 147**	**306**	**(270)**
Savings on or cancellation of prior-period obligations	5 302	—	—
Credits returned to Member States	(51 329)	—	—
Reserves and fund balances, beginning of period	—	4 120	4 390
Reserves and fund balances, end of period	**4 120**	**4 426**	**4 120**

Statement XXXIV (concluded)

United Nations Observer Mission in Liberia (UNOMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	16	38
Cash pool[d]	7 599	7 821
Assessed contributions receivable from Member States[b]	36	69
Inter-fund balances receivable	2	—
Total assets	**7 653**	**7 928**
Liabilities		
Contributions or payments received in advance	19	2
Accounts payable to Member States	3 208	3 218
Inter-fund balances payable	—	588
Total liabilities	**3 227**	**3 808**
Reserves and fund balances		
Cumulative surplus	4 426	4 120
Total reserves and fund balances	**4 426**	**4 120**
Total liabilities and reserves and fund balances	**7 653**	**7 928**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period inter-agency expenditure of $72,203 and bank charges of $791.

[d] Represents share of the cash pool and comprises cash and term deposits of $2,115,543, short-term investments of $2,850,799 (market value $2,850,799), long-term investments of $2,564,682 (market value $2,549,087) and accrued interest receivable of $68,139.

The accompanying notes are an integral part of the financial statements.

Statement XXXV

United Nations Peace Forces (UNPF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 12 January 1992 to 30 June 1997 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	12 January 1992 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	5 082 587	—	—
Voluntary contributions	37 360	—	—
Funding from reserves and fund balances	181 093	—	—
Interest income	65 022	3 843	2 722
Other/miscellaneous income	91 737	22	594
Total income	**5 457 799**	**3 865**	**3 316**
Total expenditure	**4 867 418**	—	—
Excess (shortfall) of income over expenditure	**590 381**	**3 865**	**3 316**
Prior-period adjustments[c]	(1 090)	(153)	(263)
Net excess (shortfall) of income over expenditure	**589 291**	**3 712**	**3 053**
Savings on or cancellation of prior-period obligations	275 263	—	—
Credits returned to Member States	(325 452)	—	—
Transfer from reserves and fund balances	(181 093)	—	—
Transfer to other funds	(118 003)	—	—
Reserves and fund balances, beginning of period	—	240 006	236 953
Reserves and fund balances, end of period	**240 006**	**243 718**	**240 006**

Statement XXXV (concluded)

United Nations Peace Forces (UNPF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	42	40
Cash pool[d]	102 944	85 202
Assessed contributions receivable from Member States[b]	144 480	149 356
Accounts receivable from Member States[c]	127 380	127 384
Inter-fund balances receivable	1 816	5 530
Due from United Nations Mission in the Central African Republic	250	250
Due from United Nations Mission in the Referendum in Western Sahara	5 500	11 000
Total assets	**382 412**	**378 762**
Liabilities		
Accounts payable to Member States	11 314	11 376
Deferred credits[c]	127 380	127 380
Total liabilities	**138 694**	**138 756**
Reserves and fund balances		
Surplus to be transferred[f]	29 638	29 638
Cumulative surplus	214 080	210 368
Total reserves and fund balances	**243 718**	**240 006**
Total liabilities and reserves and fund balances	**382 412**	**378 762**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period expenditure related to civilian personal costs of $77,733, death and disability claims of $50,000 and other charges of $25,308.

[d] Represents share of the cash pool and comprises cash and term deposits of $28,658,634, short-term investments of $38,618,929 (market value $38,618,929), long-term investments of $34,742,993 (market value $34,531,733 and accrued interest receivable of $923,063.

[e] In accordance with General Assembly resolution 51/12 A of 4 November 1996, represents expenditures totalling $127,379,954 which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits.

[f] Under the terms of General Assembly resolution 56/292 of 27 June 2002, $29,638,243 will be returned to Member States once their assessments for strategic deployment stocks are settled. See note 10.

The accompanying notes are an integral part of the financial statements.

Statement XXXVI

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 February to 31 May 1997 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	15 February 1997 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	4 000	—	—
Interest income	44	2	1
Other/miscellaneous income	83	—	—
Total income	**4 127**	**2**	**1**
Total expenditure	**3 946**	**—**	**—**
Excess (shortfall) of income over expenditure	**181**	**2**	**1**
Prior-period adjustments[c]	(8)	(1)	—
Net excess (shortfall) of income over expenditure	**173**	**1**	**1**
Savings on or cancellation of prior-period obligations	138	—	—
Credits returned to Member States	(292)	—	—
Reserves and fund balances, beginning of period	—	19	18
Reserves and fund balances, end of period	**19**	**20**	**19**

Statement XXXVI (concluded)

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	1	1
Cash pool[c]	35	34
Assessed contributions receivable from Member States[b]	146	147
Total assets	**182**	**182**
Liabilities		
Inter-fund balances payable	162	163
Total liabilities	**162**	**163**
Reserves and fund balances		
Authorized retained surplus[d]	18	18
Cumulative surplus	2	1
Total reserves and fund balances	**20**	**19**
Total liabilities and reserves and fund balances	**182**	**182**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $9,872 short-term investments of $13,303 (market value $13,303), long-term investments of $11,968 (market value $11,895) and accrued interest receivable of $318.

[d] See note 9.

The accompanying notes are integral part of the financial statements.

Statement XXXVII

United Nations Mission in Haiti (UNMIH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 23 September 1993 to 31 July 1996 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	23 September 1993 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	357 541	—	—
Voluntary contributions	1	—	—
Interest income	36 096	2 305	1 553
Other/miscellaneous income	3 022	—	—
Total income	**396 660**	**2 305**	**1 553**
Total expenditure	**306 156**	**—**	**—**
Excess (shortfall) of income over expenditure	**90 504**	**2 305**	**1 553**
Prior-period adjustments[c]	(1 671)	(119)	(595)
Net excess (shortfall) of income over expenditure	**88 833**	**2 186**	**958**
Savings on or cancellation of prior-period obligations	34 801	—	—
Credits returned to Member States	(54 765)	—	—
Transfer to other funds	(25 815)	—	—
Other adjustments to reserves and fund balances	22	—	—
Reserves and fund balances, beginning of period	—	43 076	42 118
Reserves and fund balances, end of period	**43 076**	**45 262**	**43 076**

Statement XXXVII (concluded)

United Nations Mission in Haiti (UNMIH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	35	34
Cash pool[d]	47 077	45 524
Assessed contributions receivable from Member States[b]	102	211
Accounts receivable from Member States	5	5
Due from United Nations Civilian Police Mission in Haiti	9 366	9 366
Due from United Nations Mission in the Central African Republic	3 200	3 200
Inter-fund balances receivable	103	—
Total assets	**59 888**	**58 340**
Liabilities		
Accounts payable to Member States	14 626	14 646
Inter-fund balances payable	—	618
Total liabilities	**14 626**	**15 264**
Reserves and fund balances		
Surplus to be transferred[e]	14 112	14 112
Cumulative surplus	31 150	28 964
Total reserves and fund balances	**45 262**	**43 076**
Total liabilities and reserves and fund balances	**59 888**	**58 340**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period inter-agency expenditure of $80,225, civilian personnel costs of $37,866 and bank charges of $971.

[d] Represents share of the cash pool and comprises cash and term deposits of $13,105,869, short-term investments of $17,660,808 (market value $17,660,808), long-term investments of $15,888,305 (market value $15,791,694) and accrued interest receivable of $422,125.

[e] Under the terms of General Assembly resolution 56/292 of 27 June 2002, $14,111,772 will be returned to Member States once their assessment for strategic deployment stocks is settled. See note 10.

The accompanying notes are an integral part of the financial statements.

Statement XXXVIII

United Nations Assistance Mission in Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 June 1993 to 19 April 1996 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	22 June 1993 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	512 318	—	—
Voluntary contributions	477	—	—
Interest income	21 469	1 361	802
Other/miscellaneous income	6 979	4	—
Total income	**541 243**	**1 365**	**802**
Total expenditure	**435 657**	—	—
Excess (shortfall) of income over expenditure	**105 586**	**1 365**	**802**
Prior-period adjustments	(27 031)	(33)	(243)
Net excess (shortfall) of income over expenditure	**78 555**	**1 332**	**559**
Savings on or cancellation of prior-period obligations	20 919	—	—
Credits returned to Member States	(37 111)	—	—
Transfer to other funds	(38 068)	—	—
Reserves and fund balances, beginning of period	—	24 295	23 736
Reserves and fund balances, end of period	**24 295**	**25 627**	**24 295**

Statement XXXVIII (concluded)

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	28	17
Cash pool[c]	27 831	26 870
Assessed contributions receivable from Member States[b]	1 497	1 686
Inter-fund balances receivable	184	—
Total assets	**29 540**	**28 573**
Liabilities		
Accounts payable to Member States	3 913	3 937
Inter-fund balances payable	—	341
Total liabilities	**3 913**	**4 278**
Reserves and fund balances		
Cumulative surplus	25 627	24 295
Total reserves and fund balances	**25 627**	**24 295**
Total liabilities and reserves and fund balances	**29 540**	**28 573**

[a] In accordance with Security Council resolution 846 (1993) of 22 June 1993, the accounts of UNAMIR and UNOMUR were consolidated with effect from 23 December 1993. See also notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $7,747,901, short-term investments of $10,440,680 (market value $10,440,680), long-term investments of $9,392,816 (market value $9,335,701) and accrued interest receivable of $249,551.

The accompanying notes are an integral part of the financial statements.

Statement XXXIX

United Nations Observer Mission in El Salvador (ONUSAL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 7 November 1989 to 31 May 1995 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	7 November 1989 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	238 987	—	—
Voluntary contributions	1 641	—	—
Interest income	4 656	272	166
Other/miscellaneous income	2 612	—	5
Total income	**247 896**	**272**	**171**
Total expenditure	**199 484**	—	—
Excess (shortfall) of income over expenditure	**48 412**	**272**	**171**
Prior-period adjustments	(1 039)	(1)	(3)
Net excess (shortfall) of income over expenditure	**47 373**	**271**	**168**
Savings on or cancellation of prior-period obligations	5 176	—	—
Credits returned to Member States	(48 868)	—	—
Transfer to United Nations Peacekeeping Reserve Fund	(258)	—	—
Reserves and fund balances, beginning of period	—	3 423	3 255
Reserves and fund balances, end of period	**3 423**	**3 694**	**3 423**

Statement XXXIX (concluded)

United Nations Observer Mission in El Salvador (ONUSAL)[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	17	—
Cash pool[c]	5 097	4 877
Assessed contributions receivable from Member States[b]	2 062	2 099
Inter-fund balances receivable	25	—
Total assets	**7 201**	**6 976**
Liabilities		
Accounts payable to Member States	3 507	3 520
Inter-fund balances payable	—	33
Total liabilities	**3 507**	**3 553**
Reserves and fund balances		
Cumulative surplus	3 694	3 423
Total reserves and fund balances	**3 694**	**3 423**
Total liabilities and reserves and fund balances	**7 201**	**6 976**

[a] In accordance with General Assembly resolution 47/223 of 16 March 1993, the operations of the United Nations Observer Group in Central America (ONUCA) have been incorporated into ONUSAL. See also notes 2 and 3.

[b] Include unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,419,148, short-term investments of $1,912,373 (market value $1,912,373), long-term investments of $1,720,440 (market value $1,709,978) and accrued interest receivable of $45,709.

The accompanying notes are an integral part of the financial statements.

Statement XL

United Nations Operation in Mozambique (ONUMOZ)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 October 1992 to 31 March 1995 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	15 October 1992 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	561 098	—	—
Interest income	8 032	58	20
Other/miscellaneous income	4 334	—	—
Total income	**573 464**	**58**	**20**
Total expenditure	**492 556**	—	—
Excess (shortfall) of income over expenditure	**80 908**	**58**	**20**
Prior-period adjustments	(9 567)	(1)	(1)
Net excess (shortfall) of income over expenditure	**71 341**	**57**	**19**
Savings on or cancellation of prior-period obligations	24 501	—	—
Credits returned to Member States	(78 242)	—	—
Reserves and fund balances, beginning of period	—	17 600	17 581
Reserves and fund balances, end of period	**17 600**	**17 657**	**17 600**

Statement XL (concluded)

United Nations Operation in Mozambique (ONUMOZ)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	24	36
Cash pool[c]	1 722	616
Assessed contributions receivable from Member States[b]	16 912	18 239
Other accounts receivable	1	1
Inter-fund balances receivable	199	—
Total assets	**18 858**	**18 892**
Liabilities		
Accounts payable to Member States	1 201	1 241
Inter-fund balances payable	—	51
Total liabilities	**1 201**	**1 292**
Reserves and fund balances		
Authorized retained surplus[d]	17 208	17 208
Cumulative surplus	449	392
Total reserves and fund balances	**17 657**	**17 600**
Total liabilities and reserves and fund balances	**18 858**	**18 892**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $479,477, short-term investments of $646,119 (market value $646,119), long-term investments of $581,273 (market value $577,738) and accrued interest receivable of $15,443.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLI

United Nations Operation in Somalia (UNOSOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 May 1992 to 28 February 1995 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 May 1992 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	1 738 202	—	—
Funding from reserves and fund balances	19 616	—	—
Interest income	9 631	150	95
Other/miscellaneous income	7 076	—	6
Total income	**1 774 525**	**150**	**101**
Total expenditure	**1 668 175**	**—**	**—**
Excess (shortfall) of income over expenditure	**106 350**	**150**	**101**
Prior-period adjustments	(9 102)	(26)	—
Net excess (shortfall) of income over expenditure	**97 248**	**124**	**101**
Savings on or cancellation of prior-period obligations	48 789	—	—
Credits returned to Member States	(83 930)	—	—
Transfer from other funds	103	—	—
Transfer from reserves and fund balances	(19 616)	—	—
Reserves and fund balances, beginning of period	—	42 594	42 493
Reserves and fund balances, end of period	**42 594**	**42 718**	**42 594**

Statement XLI (concluded)

United Nations Operation in Somalia (UNOSOM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	13	46
Cash pool[c]	3 203	2 854
Assessed contributions receivable from Member States[b]	58 555	59 398
Inter-fund balances receivable	688	15
Deferred charges	-	25
Total assets	**62 459**	**62 338**
Liabilities		
Accounts payable to Member States	19 741	19 744
Total liabilities	**19 741**	**19 744**
Reserves and fund balances		
Authorized retained surplus[d]	37 563	37 563
Cumulative surplus	5 155	5 031
Total reserves and fund balances	**42 718**	**42 594**
Total liabilities and reserves and fund balances	**62 459**	**62 338**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $891,568, short-term investments of $1,201,432 (market value $1,201,432), long-term investments of $1,080,852 (market value $1,074,280) and accrued interest receivable of $28,716.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLII

United Nations Military Liaison Team in Cambodia (UNMLT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 November 1993 to 15 November 1994 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	15 November 1993 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	910	—	—
Interest income	105	12	8
Other/miscellaneous income	91	—	—
Total income	**1 106**	**12**	**8**
Total expenditure	**587**	**—**	**—**
Excess (shortfall) of income over expenditure	**519**	**12**	**8**
Prior-period adjustments	(11)	—	(1)
Net excess (shortfall) of income over expenditure	**508**	**12**	**7**
Savings on or cancellation of prior-period obligations	5	—	—
Credits returned to Member States	(375)	—	—
Reserves and fund balances, beginning of period	—	138	131
Reserves and fund balances, end of period	**138**	**150**	**138**

Statement XLII (concluded)

United Nations Military Liaison Team in Cambodia (UNMLT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	24	24
Cash pool[c]	223	212
Assessed contributions receivable from Member States[b]	10	10
Total assets	**257**	**246**
Liabilities		
Accounts payable to Member States	107	108
Total liabilities	**107**	**108**
Reserves and fund balances		
Cumulative surplus	150	138
Total reserves and fund balances	**150**	**138**
Total liabilities and reserves and fund balances	**257**	**246**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $62,041, short-term investments of $83,603 (market value $83,603), long-term investments of $75,212 (market value $74,755) and accrued interest receivable of $1,998.

The accompanying notes are an integral part of the financial statements.

Statement XLIII

United Nations Transitional Authority in Cambodia (UNTAC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 November 1991 to 31 March 1994 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 November 1991 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	1 599 916	—	—
oluntary contributions	9 493	—	—
Interest income	7 509	28	13
Other/miscellaneous income	6 413	8	70
Total income	**1 623 331**	**36**	**83**
Total expenditure	**1 640 831**	**—**	**—**
Excess (shortfall) of income over expenditure	**(17 500)**	**36**	**83**
Prior-period adjustments	(730)	—	(1)
Net excess (shortfall) of income over expenditure	**(18 230)**	**36**	**82**
Savings on or cancellation of prior-period obligations	28 435	—	—
Credits returned to Member States	(8 743)	—	—
Reserves and fund balances, beginning of period	—	1 462	1 380
Reserves and fund balances, end of period	**1 462**	**1 498**	**1 462**

Statement XLIII (concluded)

United Nations Transitional Authority in Cambodia (UNTAC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	20	39
Cash pool[c]	677	501
Assessed contributions receivable from Member States[b]	41 197	41 779
Accounts receivable from Member States	13	20
Inter-fund balances receivable	443	—
Total assets	**42 350**	**42 339**
Liabilities		
Accounts payable to Member States	40 839	40 846
Inter-fund balances payable	—	10
Deferred credits	13	21
Total liabilities	**40 852**	**40 877**
Reserves and fund balances		
Authorized retained surplus[d]	818	818
Cumulative surplus	680	644
Total reserves and fund balances	**1 498**	**1 462**
Total liabilities and reserves and fund balances	**42 350**	**42 339**

[a] The special account of the United Nations Mission in Cambodia (UNAMIC) has been consolidated into the special account for the United Nations Transitional Authority in Cambodia (UNTAC). See also notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $188,567, short-term investments of $254,104 (market value $254,104), long-term investments of $228,601 (market value $227,211) and accrued interest receivable of $6,074.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLIV

United Nations Transition Assistance Group (UNTAG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 April 1988 to 30 June 1991 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	1 April 1988 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	416 162	—	—
Voluntary contributions	23 736	—	—
Interest income	47 697	1 002	675
Other/miscellaneous income	13 387	—	—
Total income	**500 982**	**1 002**	**675**
Total expenditure	**374 185**	**—**	**—**
Excess (shortfall) of income over expenditure	**126 797**	**1 002**	**675**
Prior-period adjustments	(583)	(1)	(1)
Net excess (shortfall) of income over expenditure	**126 214**	**1 001**	**674**
Savings on or cancellation of prior-period obligations	32 016	—	—
Credits returned to Member States	(105 880)	—	—
Transfer to United Nations Peacekeeping Reserve Fund	(49 243)	—	—
Reserves and fund balances, beginning of period	—	3 107	2 433
Reserves and fund balances, end of period	**3 107**	**4 108**	**3 107**

Statement XLIV (concluded)

United Nations Transition Assistance Group (UNTAG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	37	10
Cash pool[c]	20 517	19 717
Assessed contributions receivable from Member States[b]	24	24
Total assets	**20 578**	**19 751**
Liabilities		
Contributions or payments received in advance	3	—
Accounts payable to Member States	16 467	16 483
Inter-fund balances payable	—	161
Total liabilities	**16 470**	**16 644**
Reserves and fund balances		
Cumulative surplus	4 108	3 107
Total reserves and fund balances	**4 108**	**3 107**
Total liabilities and reserves and fund balances	**20 578**	**19 751**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $5,711,897, short-term investments of $7,697,065 (market value $7,697,065), long-term investments of $6,924,559 (market value $6,882,453), and accrued interest receivable of $183,974.

The accompanying notes are an integral part of the financial statements.

Statement XLV

United Nations Iran-Iraq Military Observer Group (UNIIMOG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 August 1988 to 31 March 1991 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	9 August 1988 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	199 113	—	—
Voluntary contributions	14 715	—	—
Interest income	12 922	228	153
Other/miscellaneous income	12 054	—	—
Total income	**238 804**	**228**	**153**
Total expenditure	**177 895**	**—**	**—**
Excess (shortfall) of income over expenditure	**60 909**	**228**	**153**
Prior-period adjustments	223	(1)	—
Net excess (shortfall) of income over expenditure	**61 132**	**227**	**153**
Savings on or cancellation of prior-period obligations	4 997	—	—
Credits returned to Member States	(43 484)	—	—
Transfer to United Nations Peacekeeping Reserve Fund	(18 156)	—	—
Reserves and fund balances, beginning of period	—	4 489	4 336
Reserves and fund balances, end of period	**4 489**	**4 716**	**4 489**

Statement XLV (concluded)

United Nations Iran-Iraq Military Observer Group (UNIIMOG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Cash and term deposits	41	50
Cash pool[c]	4 657	4 431
Assessed contributions receivable from Member States[b]	18	18
Total assets	**4 716**	**4 499**
Liabilities		
Accounts payable to Member States	-	1
Inter-fund balances payable	-	9
Total liabilities	**-**	**10**
Reserves and fund balances		
Cumulative surplus	4 716	4 489
Total reserves and fund balances	**4 716**	**4 489**
Total liabilities and reserves and fund balances	**4 716**	**4 499**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,296,686, short-term investments of $1,747,349 (market value $1,747,349), long-term investments of $1,571,978 (market value $1,562,420), and accrued interest receivable of $41,765.

The accompanying notes are an integral part of the financial statements.

Statement XLVI

Special Account for the United Nations Emergency Force (UNEF) 1956[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 5 November 1956 to 30 June 1967 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	5 November 1956 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	166 375	—	—
Voluntary contributions	28 086	—	—
Proceeds from sale of United Nations bonds	19 207	—	—
Appropriated from United Nations Special Account	3 911	—	—
Miscellaneous, and savings in liquidating obligations and adjustments[c]	3 665	(1 424)	(1 018)
Total income	**221 244**	**(1 424)**	**(1 018)**
Total expenditure	**215 540**	**—**	**—**
Net excess (shortfall) of income over expenditure	**5 704**	**(1 424)**	**(1 018)**
Reserves and fund balances, beginning of period	—	5 704	6 722
Reserves and fund balances, end of period	**5 704**	**4 280**	**5 704**

Statement XLVI (concluded)

Special Account for the United Nations Emergency Force (UNEF) 1956[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Unpaid assessed contributions[b]	42 627	42 627
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	5 275	5 275
Excess of authorized expenditures over assessments and applied contributions	876	876
Inter-fund balances receivable	81	81
Total assets	**48 859**	**48 859**
Liabilities		
Accounts payable to Member States	23 036	21 612
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	465	465
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	614	614
Assessed on economically developed countries to meet reserve requirements[d]	10 415	10 415
Due to United Nations Special Account	1 932	1 932
Due to United Nations Bond Account	8 117	8 117
Total liabilities	**44 579**	**43 155**
Reserves and fund balances		
Cumulative surplus	4 280	5 704
Total reserves and fund balances	**4 280**	**5 704**
Total liabilities and reserves and fund balances	**48 859**	**48 859**

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents loss on exchange from the revaluation of accounts payable expressed in local currency.

[d] For 1965, $3,550,000 pursuant to section II of General Assembly resolution 2115 (XX) of 21 December 1965; for 1966, $3,550,000 pursuant to section III of the resolution; for 1967, $3,315,000 pursuant to resolution 2194 B (XXI) of 16 December 1966.

The accompanying notes are an integral part of the financial statements.

Statement XLVII

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)[a]

Statement of income and expenditure and charges in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 2007

(Thousands of United States dollars)

	Period		
	14 July 1960 to 30 June 2006	*Period 1 July 2006 to 30 June 2007*	*1 July 2005 to 30 June 2006*
Income			
Assessed contributions[b]	241 549	—	—
Voluntary contributions	36 193	—	—
Proceeds from the sale of United Nations bonds	110 726	—	—
Investment income	89	—	—
Miscellaneous, and savings in liquidating obligations and adjustments[c]	45 521	(143)	(71)
Total income	**434 078**	**(143)**	**(71)**
Total expenditure	**397 437**	—	—
Net excess (shortfall) of income over expenditure	**36 641**	**(143)**	**(71)**
Reserves and fund balances, beginning of period	—	36 641	36 712
Reserves and fund balances, end of period	**36 641**	**36 498**	**36 641**

Statement XLVII (concluded)

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2007

(Thousands of United States dollars)

	2007	*2006*
Assets		
Unpaid assessed contributions[b]	73 892	73 892
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	6 687	6 687
Excess of authorized expenditures over assessments and applied voluntary contributions[d]	1 973	1 973
Inter-fund balances receivable	914	914
Total assets	**83 466**	**83 466**
Liabilities		
Accounts payable to Member States	7 225	7 082
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	855	855
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	1 560	1 560
Due to United Nations Special Account	1 397	1 397
Due to United Nations Bond Account	35 931	35 931
Total liabilities	**46 968**	**46 825**
Reserves and fund balances		
Cumulative surplus	36 498	36 641
Total reserves and fund balances	**36 498**	**36 641**
Total liabilities and reserves and fund balances	**83 466**	**83 466**

[a] See notes 2, 3 and 4.
[b] Includes unpaid assessed contributions irrespective of collectability.
[c] Represents loss on exchange from the revaluation of accounts payable expressed in local currency.
[d] For 1961, $268,455; for the second half of 1963, $1,118,712; for the first half of 1964, $585,899.

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements for peacekeeping operations for the period from 1 July 2006 to 30 June 2007

Note 1
The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, are as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development programmes;

(iii) The universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories;

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as the financial and administrative aspects of the Organization;

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2
Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations are maintained in accordance with the Financial Regulations and Rules of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations and administrative instructions issued by the Under-Secretary-General for Management or the Controller. They also take fully into account the United Nations system accounting standards, as adopted by the former Administrative Committee on Coordination, which has since been replaced by the United Nations System Chief Executives Board for Coordination. The Organization

follows International Accounting Standard 1, "Presentation of financial statements", on the disclosure of accounting policies, as modified and adopted by the Chief Executives Board as follows:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified;

(b) The Organization's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity with a separate self-balancing, double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(c) The financial period for peacekeeping operations is one year from 1 July to 30 June. The financial period of the Organization for all other funds is a biennium and consists of two consecutive calendar years;

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting. For assessed income, the policy set out in paragraph (j) (ii) below applies;

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transactions at rates of exchange established by the United Nations. In respect of such currencies, the financial statements shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than the United States dollar translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the Organization's rates of exchange for the last month of the financial period, a footnote will be provided quantifying the difference;

(f) The Organization's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services;

(g) The cash flow statement is based on the indirect method of determining cash flow, as referred to in the United Nations system accounting standards;

(h) The Organization's financial statements are presented in accordance with the ongoing recommendations of the Task Force on Accounting Standards to the High-level Committee on Management of the Chief Executives Board;

(i) The results of the Organization's operations presented in statements I, II and III are shown at a summary level by general type of activity as well as on a combined basis after the elimination of all inter-fund balances and instances of double-counting of income and expenditure. Their presentation on a combined basis does not imply that the various separate funds can be intermingled in any way, since, normally, resources may not be utilized between funds;

(j) Income:

(i) Amounts necessary to finance the activities of peacekeeping operations are assessed on Member States in accordance with the scale of assessments determined by the General Assembly;

(ii) Income is recognized when an assessment on Member States has been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in the United Nations treaty bodies, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions made in the form of services and supplies that are acceptable to the Secretary-General are credited to income or noted in the financial statements;

(v) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(vi) Income for services rendered includes amounts charged for salaries of staff members and other costs that are attributable to the provision of technical and administrative support to other organizations;

(vii) Interest income includes all interest earned on deposits in various bank accounts and investment income earned on the cash pool. All realized losses and net unrealized losses on short-term investments in the cash pool are offset against investment income. Investment income and costs associated with operation of investments in the cash pool are allocated to participating funds;

(viii) Miscellaneous income includes income from rental of premises, sale of used or surplus property, refunds of expenditures charged to prior periods, income from net gains resulting from currency exchange adjustments except for those arising from revaluation of current period obligations as stated in

paragraph (k) (i) below, settlements of insurance claims, amounts assessed on new Member States for the year of admission to the United Nations, amounts assessed on non-Member States as stated in paragraph (j) (iii) above, monies accepted for which no purpose was specified and other sundry income;

(ix) Income relating to future financial periods is not recognized in the current financial period and is recorded as deferred credits as referred to in paragraph (m) (iii) below;

(k) Expenditure:

(i) Expenditures are incurred against authorized appropriations or commitment authorities. Total expenditures reported include unliquidated obligations and disbursements. Expenditures also include currency exchange adjustments arising from revaluation of current-period obligations;

(ii) Expenditures incurred for non-expendable property are charged to the budget of the period when the property is acquired and are not capitalized. The inventory of such non-expendable property is maintained at historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period and are recorded as deferred charges, as referred to in paragraph (l) (v) below;

(l) Assets:

(i) Cash and term deposits represent funds in demand deposit accounts and interest-bearing bank deposits;

(ii) The cash pool comprises participating funds' share of the cash and term deposits, short-term and long-term investments and accrual of investment income, all of which are managed in the cash pool. The investments in the cash pool are similar in nature. Short-term investments are stated at cost or market value, whichever is lower; long-term investments are stated at cost. Cost is defined as the nominal value plus or minus any unamortized premium or discount. The share in the cash pool is reported separately in each of the participating fund's statement, and its composition and the market value of its investments are disclosed in the footnotes to the individual statements;

(iii) Assessed contributions represent legal obligations of contributors, and therefore the balances of unpaid assessed contributions due from Member States are reported irrespective of collectability. It is the policy of the United Nations not to make provision for delays in collection of such assessments;

(iv) Inter-fund balances reflect transactions between funds, and are included in the amounts due to and from the General Fund. Inter-fund balances also reflect transactions directly with the General Fund. Inter-fund balances are settled periodically, depending upon the availability of cash resources;

(v) Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(vi) For purposes of the balance sheet statements only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances are settled;

(vii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Such acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in notes to the financial statements;

(m) Liabilities and reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(ii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iii) Deferred credits include income received for future periods and income received but not yet earned;

(iv) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to peacekeeping operations remain valid for 12 months following the end of the financial period to which they relate. As per financial regulation 5.5, unliquidated obligations of peacekeeping operations owed to Governments may be retained for an additional period of four years beyond the 12-month period provided for in financial regulation 5.3;

(v) Accrued liabilities for the end-of-service and post-retirement benefits, comprising those for after-service health insurance, unused vacation days and repatriation benefits, are, effective 30 June 2007, included as liabilities in the statement of assets, liabilities and reserves and fund balances. Previously, the after-service health insurance liabilities for peacekeeping operations were included with those of the United Nations, and shown in volume I of the financial statements of the United Nations, and the liabilities pertaining to unused vacation days and repatriation benefits were included in the notes to volume II of the financial statements for peacekeeping operations. The change in presentation is made in order to recognize such liabilities when incurred, and is in accordance with General Assembly resolutions 60/255 of 8 May 2006 and 61/264 of 4 April 2007 with respect to the recognition of after-service health insurance liabilities. See note 14;

(vi) Contingent liabilities, if any, are disclosed in notes to the financial statements;

(vii) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the

Organization to the Pension Fund consists of its mandated contribution at the rate established by the General Assembly together with its share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. As at the date of the current financial statement, the General Assembly has not invoked this provision.

Note 3
Accounting policies for peacekeeping operations

The accounts for the peacekeeping operations have been maintained in accordance with the provisions of the Financial Regulations and Rules of the United Nations, with due regard for the following:

(a) Financial regulation 1.2, which states that the financial period of peacekeeping operations with special accounts shall be one year, from 1 July to 30 June;

(b) Financial regulation 6.5, which states that the annual accounts for peacekeeping operations with special accounts shall be submitted by the Secretary-General to the Board of Auditors no later than 30 September each year;

(c) Financial regulation 5.5, which states that obligations to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained beyond the 12-month period provided for in financial regulation 5.3 if the requisite claims are not received or processed during the financial period to which they pertain. Those obligations shall remain valid for an additional period of four years following the end of the 12-month period provided for in financial regulation 5.3. At the end of the additional four-year period, any unliquidated obligations shall be cancelled and the remaining balance of any appropriations retained shall be surrendered;

(d) Voluntary contributions:

(i) Voluntary contributions in cash shall be considered income to be credited to the special account of the peacekeeping operation;

(ii) Voluntary contributions in kind in the form of supplies and services shall be recorded as income under the heading "Voluntary contributions" at the time of delivery of supplies or commencement of services, provided budgetary provision for such supplies or services was made. In case there was no budgetary provision, no accounting entry shall be made, but the amount of the contribution shall be reflected in a footnote to the financial statements. The cost of facilities provided under an agreement with a Member State in whose country a peacekeeping operation is located is excluded from the determination of voluntary contributions;

(e) Peacekeeping Reserve Fund:

By its resolution 47/217 of 23 December 1992, the General Assembly established the Peacekeeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping

operations. The level of the Peacekeeping Reserve Fund was established at $150 million. In accordance with the aforementioned resolution, $49,242,762 was allocated from unencumbered balances in the special account of the United Nations Transition Assistance Group, $18,156,200 from unencumbered balances in the special account of the United Nations Iran-Iraq Military Observer Group and $82,601,038 from authorized retained savings in the General Fund.

Note 4
Explanatory notes on assessed contributions receivable

Assessed contributions receivable have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the General Assembly and the policy of the United Nations. With reference to the amounts shown as unpaid, certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. Based on United Nations policy as stated in note 2 (l) (iii) above, no provision has been made for delays in the collection of outstanding assessed contributions. With regard to the foregoing, a number of Member States have requested that attention be drawn to their positions (as stated by their delegations at successive sessions of the General Assembly), in particular with respect to the following:

(a) To the extent that the amounts relate to expenditures under the Special Account for UNEF 1956 and under the Ad Hoc Account for ONUC, which, in the view of some Member States, were illegal, they do not consider themselves bound, under the provisions of Article 17 of the Charter of the United Nations, to participate in paying for those expenditures. As a result, withholdings by certain Member States from payments for the financing of UNEF 1956 (statement XLVI) and ONUC (statement XLVII) are estimated to be $38.6 million and $70.2 million, respectively. The estimate, which is based on the apportioned shares of the Member States concerned, excludes $5.3 million and $6.7 million in unpaid assessed contributions to UNEF 1956 and ONUC, respectively, by China for the period up to 24 October 1971. Following the adoption by the General Assembly of its resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations", of 25 October 1971, that amount was transferred to a special account pursuant to General Assembly resolution 3049 C (XXVII) of 19 December 1972;

(b) A Member State has stated that it does not intend to participate in the financing of UNEF 1973 and UNDOF. As a result, withholding by the Member State from payments for the financing of UNEF 1973 and UNDOF is estimated to be $0.1 million, which covers UNEF 1973 until its liquidation in 1979 and UNDOF to 30 June 2006. That amount excludes $36.0 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A of 10 December 1981;

(c) Certain Member States have stated that they do not intend to participate in the financing of UNIFIL. As a result, withholdings by certain Member States from payments for the financing of UNIFIL are estimated to be $3.6 million. That estimate, which is based on the apportioned shares of the Member States concerned

from the inception of UNIFIL on 19 March 1978 to 30 June 2007, excludes $19.6 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(d) Status of unpaid assessed contributions as at 30 June 2007:

Detailed information for each of the separate peacekeeping operations on assessments and collections as at 30 June 2007 and on all outstanding balances due from each Member State is shown in the status of contributions report (ST/ADM/SER.B/714). The report for 30 June 2007 does not reflect any assessments or the application of credits returned to Member States that were approved by the General Assembly in late June. However, the financial statements include such late-June transactions, and the new amounts due become part of the outstanding contributions from Member States shown as at 30 June 2007. As a result, in such cases the amounts shown as contributions outstanding from Member States as at 30 June 2007 in the status of contributions report may be lower or higher than the corresponding amounts included in financial statements as at 30 June 2007.

Note 5
Peacekeeping special account fund summaries: income and expenditure and changes in reserves and fund balances (statement I), assets, liabilities and reserves and fund balances (statement II) and cash flow (statement III)

(a) Statements I, II and III contain financial results for all United Nations peacekeeping funds, which are broken down into three groups of related funds and consolidated into a grand total reflecting all individual peacekeeping accounts of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any other purpose than that for which it is authorized. The financial results of all peacekeeping operations are summarized in statements I, II and III. These are categorized as all active peacekeeping missions (statements IV-XIX), the Peacekeeping Reserve Fund (statement XX), the support account for peacekeeping operations (statement XXI), UNLB (statement XXII), peacekeeping after-service health insurance (statement XXIII) and completed peacekeeping missions (statements XXIV-XLVII);

(b) To comply with the uniform financial statement formats, statement I contains two calculations of the excess (shortfall) of income relative to expenditure. The first calculation is based on income and expenditure only for the current period. The second calculation shown is a net one, which includes any prior-period adjustments to income or expenditure.

Note 6
United Nations Peacekeeping Force in Cyprus (statement IV)

The General Assembly decided by resolution 47/236 of 14 September 1993 that, beginning on 16 June 1993, the costs of UNFICYP should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations. Accordingly, from 16 June 1993 onwards, appropriations and assessments have been issued on the Member States in accordance with relevant General Assembly resolutions.

Prior to 16 June 1993, the Secretary-General was not authorized to utilize any funds other than the voluntary contributions pledged by Member States for the financing of UNFICYP. The recording of expenditures for the period prior to 16 June 1993 was based on the total of pledged contributions. Obligations to be financed from such voluntary contributions for the period prior to 16 June 1993 totalled $215,779,389 and are reflected in footnote f/ to the UNFICYP financial statements (statement IV).

By its resolution 61/233 B of 29 June 2007, the General Assembly reconfirmed its previous resolution 47/236, in which it had decided that the costs of UNFICYP for the period beginning 16 June 1993 should be treated as expenses of the Organization to be borne by Member States.

Note 7
United Nations Emergency Force 1973 and United Nations Disengagement Observer Force (statement V)

The General Assembly has on a number of occasions authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNEF and UNDOF to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83 of 15 December 1995, the authorized retained surplus of $64,931,001 was reduced proportionately by $15,321,728 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Under the terms of General Assembly resolution 53/226 of 8 June 1999, followed by its resolutions 54/266 of 15 June 2000 and 55/264 of 14 June 2001, the authorized retained surplus was further reduced by $13,622,162, leaving a balance of $35,987,111 as at 30 June 2007. This equals the amount held in the special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A (see note 4 (b)).

Note 8
United Nations Interim Force in Lebanon (statement VI)

The General Assembly, on a number of occasions, has authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNIFIL to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83, those authorized retained surpluses of $108,461,935 were reduced proportionately by a total of $25,583,986 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Subsequently, under the terms of resolution 58/307 of 18 June 2004, the authorized retained surplus was further reduced by $63,312,709 representing the net accumulated surplus in the account of the Force from 1978 to 1993, leaving a balance of $19,565,240 as at 30 June 2007. This equals the amount held in the special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A (see note 4 (c)).

Note 9
Authorized retained surplus

The General Assembly decided, in its resolution 57/323 of 18 June 2003, to suspend financial regulation 5.5 for certain missions in the light of the cash shortages in those missions. Those missions are the Military Observer Group of MINUGUA (statement XXXVI); ONUMOZ (statement XL); UNOSOM (statement XLI); UNSMIH, UNTMIH and MIPONUH (statement XXIX); UNTAC (statement XLIII); and MINURCA (statement XXX). By its resolution 59/302 of 22 June 2005, the General Assembly postponed the return of the net cash balance available as at 30 June 2004 for UNMIBH (statement XXVII).

Note 10
Surplus to be transferred for strategic deployment stocks

Under the terms of General Assembly resolution 56/292 of 27 June 2002, amounts of $95,978,945 and $45,567,055 were authorized to be transferred from reserves and fund balances of UNPF (statement XXXV) and UNMIH (statement XXXVII), respectively, for strategic deployment stocks to be held in the UNLB account (statement XXII). Member States had the option either to transfer their share in the surpluses directly to UNLB or to have their shares returned to them upon settling a separate assessment for strategic deployment stocks. Some Member States opted to transfer their share in the surpluses directly to UNLB and, accordingly, surpluses of $54,690,848 and $25,815,321 were transferred directly from UNPF and UNMIH, respectively. Some Member States opted to settle a separate assessment for strategic deployment stocks and, accordingly, amounts of $11,649,854 and $5,639,962 from the surpluses of UNPF and UNMIH, respectively, were returned to those Member States. The remaining surpluses of $29,638,243 and $14,111,772 in UNPF and UNMIH, respectively, shall be returned to Member States upon their settlement of the separate assessment for strategic deployment stocks. Currently, $13,581,780 remains outstanding from Member States.

Note 11
Strategic deployment stocks

The General Assembly, in its resolution 56/292, authorized the purchase of strategic deployment stocks. In his report (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that receives the stocks. In order to account for replenishment of strategic deployment stocks, a separate revolving fund has been established, where all such transactions are recorded. The cumulative surplus at the end of the financial period, which incorporates such items as prior-period savings and timing differences between the recording of income upon transfer and the actual replenishment of strategic deployment stocks, is carried over, to be available in the next financial period.

Note 12
Ageing of assessed contributions receivable

Assessed contributions receivable from Member States have been outstanding for the periods indicated in table V.1 below. On the basis of United Nations policy, no provision is made for delays in collection.

Table V.1
Outstanding contributions receivable
(Thousands of United States dollars)

Time outstanding	*Amount*
Less than six months	557 136
Six months to one year	66 870
One to two years	42 800
Over two years	594 376
Total	**1 261 182**

Note 13
Non-expendable property

(a) Table V.2 below shows the value of non-expendable property, at historical cost, at peacekeeping missions, according to the cumulative inventory records of the United Nations as at 30 June 2007. In accordance with United Nations accounting policies, non-expendable property is not included in the assets of the Organization, but is charged against the current appropriations when acquired.

Table V.2
Value of non-expendable property
(Thousands of United States dollars)

Peacekeeping mission	*2007*	*2006*
UNFICYP	15 353	14 871
UNDOF	35 594	39 811
UNIFIL	94 526	65 401
MINURSO	30 153	28 585
UNOMIG	21 125	21 416
UNAMSIL	490	3 130
UNMIK	106 572	116 418
MONUC	239 642	220 187
UNMISET	—	110
UNMEE	55 822	55 456
UNMIL	153 877	140 918
UNOCI	94 281	82 670
MINUSTAH	79 377	64 240
ONUB	21 900	55 253
UNMIS	257 779	169 334
UNMIT	36 643	—
UNLB	54 125	52 290
UNLB — strategic deployment stocks	88 903[a]	88 243
Total	**1 386 162**	**1 218 333**

[a] In addition to non-expendable property, overall strategic deployment stocks also include expendable property valued at $7,498,279 as at 30 June 2007.

(b) The movement in non-expendable property is summarized in table V.3 below:

Table V.3
Movement in non-expendable property
(Thousands of United States dollars)

	Amount
Balance as at 1 July 2006	1 218 333
Acquisitions	206 384
Less: write-offs — accidents, thefts and damages	(3 522)
Less: dispositions and other adjustments	(35 033)
Balance as at 30 June 2006	**1 386 162**

Note 14
Liabilities for end-of-service and post-retirement benefits

(a) At end of service, eligible staff members are entitled to after-service health insurance coverage, and to be paid for unused vacation days up to a maximum of 60 days and repatriation benefits based on the number of years of service. Effective 30 June 2007, all these three types of liabilities are recognized in the financial statements for peacekeeping operations. Previously, the after-service health insurance liabilities for peacekeeping were included with those of regular budget and shown in volume I of the financial statements and the liabilities for unused vacation days and repatriation benefits were shown in the notes to the financial statements for peacekeeping, in volume II.

(b) The after-service health insurance liabilities are based on an actuarial valuation and represent the present value of the accrued liabilities, net of retiree contributions. The accrued liabilities represent benefits that have accrued from the staff members' dates of entry on duty till the valuation date. Benefits of active staff members are fully accrued on the date on which the staff member becomes fully eligible for benefits.

United Nations overall accrued after-service health insurance liabilities as determined through an actuarial valuation were $2,072,829,000 as at 31 December 2005, and the portion thereof that pertains to peacekeeping operations was estimated at $330,000,000. The latter amount has been rolled forward to 30 June 2007 and is estimated at $389,000,000, as shown in statement XXIII.

(c) The accrued liabilities for unused vacation days and repatriation benefits are shown in the financial statements of the individual missions, the support account for peacekeeping operations and UNLB, as applicable. The liabilities have been recorded as an adjustment to reserves and fund balances.

Annex I

Peacekeeping operations funded by the regular budget: status of appropriations by major object of expenditure for the 18-month period of the biennium 2006-2007 ended 30 June 2007

(Thousands of United States dollars)

Programme	*Appropriation*[a]	*Salaries and related costs*	*Travel*	*Contractual services*	*Operating expenses and supplies*	*Acquisitions*	*All other expenses*	*Total expenditure*	*Unencumbered balance*
Executive direction and management	1 805	1 225	18	—	35	—	—	1 278	527
Programme of work	15 304	9 964	54	5	—	—	—	10 023	5 281
Programme support	1 495	424	—	234	416	67	34	1 175	320
UNTSO	62 271	35 831	2 457	146	3 880	1 360	—	43 674	18 597
UNMOGIP	15 796	6 944	925	50	2 305	426	—	10 650	5 146
Total	**96 671**	**54 388**	**3 454**	**435**	**6 636**	**1 853**	**34**	**66 800**	**29 871**

[a] Appropriation is for the biennium 2006-2007.

Annex II

Activities related to peacekeeping operations funded by trust funds: schedule of income, expenditure, reserves and fund balances for the fiscal year ended 30 June 2007

(Thousands of United States dollars)

Trust fund	*Reserves and fund balances beginning of period*	*Income*	*Expenditures, transfers and adjustments*	*Reserves and fund balances end of period*
Trust Fund for Iraq-Kuwait Border Issues	1 644	2 601	551	3 694
United Nations Trust Fund for Electoral Observation	738	68	145	661
Trust Fund in Support of the Delimitation and Demarcation of the Ethiopia/Eritrea Border	5 746	346	1 045	5 047
Trust Fund to Support the Peace Process in Ethiopia and Eritrea	1 043	148	78	1 113
Voluntary Fund for the Cambodian Peace Process	16	—	16	—
Cambodia Trust Fund	1 151	60	60	1 151
Trust Fund for Somalia — Unified Command	321	17	—	338
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	1 348	550	471	1 427
Trust Fund for Police Assistance Programme in Bosnia and Herzegovina	660	36	—	696
Trust Fund to Support United Nations Peacekeeping-related Efforts in Sierra Leone	384	21	53	352
Trust Fund to Support Public Information and Related Efforts in United Nations Peacekeeping Operations	10	1	—	11
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	34 678	1 384	27 943	8 119
Trust Fund for Activities Related to Administrative and Budgetary Aspects of Peacekeeping Operations	1	—	—	1
Trust Fund in Support of the Department of Peacekeeping Operations	2 895	5 582	3 228	5 249
Trust Fund to Support the Activities of the United Nations Disengagement Observer Force (UNDOF)	2	—	2	—
Trust Fund for the Rapidly Deployable Mission Headquarters	826	44	—	870
Trust Fund to Support Peace Process in the Democratic Republic of the Congo	888	948	87	1 749
Trust Fund to Support the United Nations Interim Administration in Kosovo	663	1 786	1 078	1 371
Trust Fund to Support the Ituri Pacification Commission	9	1	4	6
Trust Fund in Support of the Peace Process in the Sudan	—	60	—	60
Total	**53 023**	**13 653**	**34 761**	**31 915**

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